



ARGUS
Developer™

Step-by-Step Guide

Release Version 4.05



ARGUS Software: ARGUS Developer Step-by-Step Guide

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ARGUS Developer was formerly known as CircleDeveloper.

ARGUS Development Budget was formerly known as CircleBudget.

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CHAPTER 1

Introduction

Welcome to ARGUS Developer

We are delighted that you have chosen ARGUS Developer.

This walkthrough guide will make life easier for you as it sets out to provide essential and important information on using the program and handling single or multi-phase projects, sensitivity analysis and Structured Financing in the most efficient and comprehensive manner.

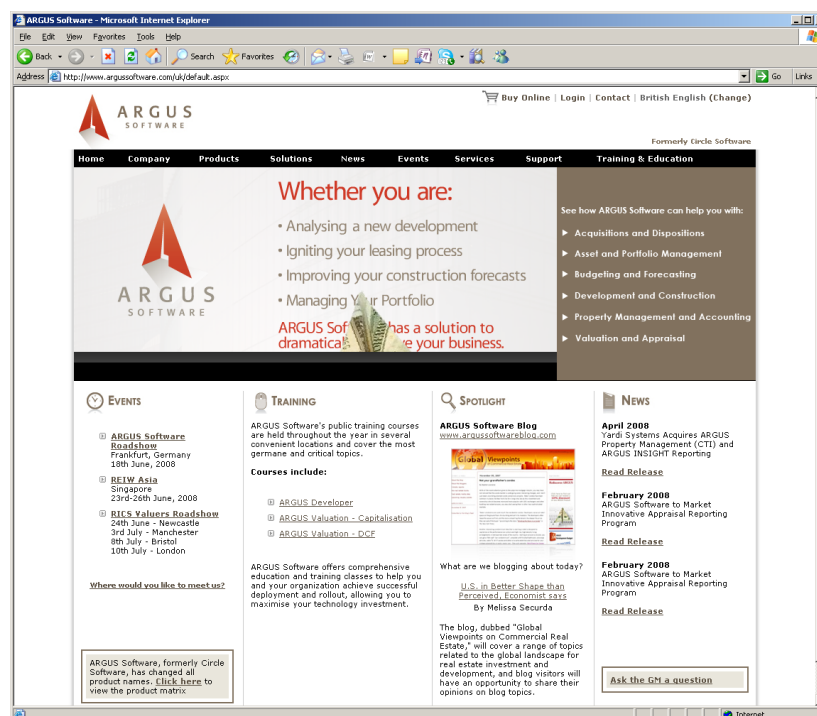
A program the size and complexity of ARGUS Developer cannot be learnt instantly, and indeed it is not designed as a “quick fix” product. You will need time and patience to go through all the features of the system and it is most likely that you will not need to know everything in the program to carry out your work effectively. However, you can gain a good working knowledge if you walk through the simple example provided here and practice the steps when you have the time.

A good understanding of the program will enable you to find the answers and solutions to your particular tasks quickly.

The User Guide supplied with the software offers a structured explanation and description of the contents of the program and the combination of both manuals should provide sufficient detail and information to enable you to work alone.

However, occasionally there will be special cases and circumstances where further help is required. If this situation should arise, you have the ARGUS Support team to answer any queries and it is worth remembering that answers to common questions can be found on the ARGUS website:

<http://www.argussoftware.com>



ARGUS Software website

About the walkthrough

There are several ways of starting a session in ARGUS Developer, and the procedure presented here is just one typical example of moving through the screens and functions.

In time, users generally find the most efficient way they want to work in ARGUS Developer, and this depends on the type of work being undertaken.

We are going to take a direct route to get up and running as soon as possible - therefore, you will be taken through procedures and commands that will be unfamiliar and probably not immediately understood.

There is a temptation to get diverted and investigate things you come across on the screens.

This is fine, but will interrupt your progress and so prolong the learning timescale.

There is a lot to get through, and it is understood you may only wish to look at subjects that are relevant to your work. In this case, the chapters are set out in a way that enables concentration on specific topics although a fuller understanding of the basic steps may be necessary to complete the picture.

We will be starting the walkthrough on the Project tab where we set up assumptions and timescale/phasing. This will lead onto the Definition tab where we enter the buildings and associated fees, and so on. The Cash Flow tab follows this and we will look at the data distribution function.

The Summary chapter will examine the various ways in which ARGUS Developer can export the appraisal reports.

The Sensitivity lesson shows how to use the sensitivity analysis function for “what if” scenarios.

The final chapter will show you how to save your file or email a file from within ARGUS Developer.

CHAPTER 2

Basic Preparation

Before you begin constructing the sample appraisal, there are some things you must do in order to prepare. This chapter walks you through the first things you must do before you start the example project.

First, you must familiarise yourself with ARGUS Developer's user interface, so you can understand its structure.

Starting ARGUS Developer

Start ARGUS Developer by double-clicking its shortcut icon on the desktop.



The User Interface

When ARGUS Developer has started, have a look at the following interface features so that you know where they are (please refer to the screenshots on the next page):

Title bar

The title bar appears at the very top of the window and shows the name of the current file.

Toolbar

You can use the buttons on the toolbar at the top of the screen (beneath the title bar) to access commonly used commands.

Phase Group selector

In multi-phased projects, you can selectively group together any of the phases in any combination for analysis purposes. The phase group selector drop-down box allows you to choose any of the phase groups. When you choose a phase group, the program reformats the phase tab to show only the phases in the current group. You can find the selector on the bottom left-hand corner of the screen.

For the purposes of this simple example, we will not demonstrate the use of this control in this guide. To find out how to use this control, please refer to the ARGUS Developer user manual (see the **ARGUS DeveloperUserManual.pdf** file or press the **F1** key to view the help).

Phase tabs

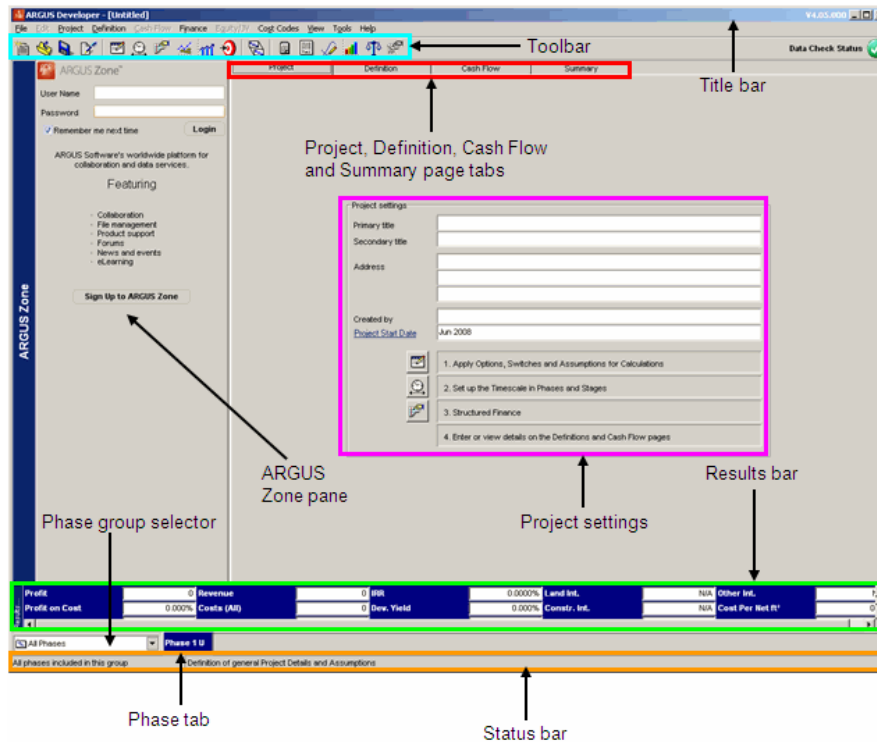
Phase tabs are used to navigate between individual phases in a project. Phase tabs are created when you create phases. They can be named or renamed, according to your specific requirements.

Status bar

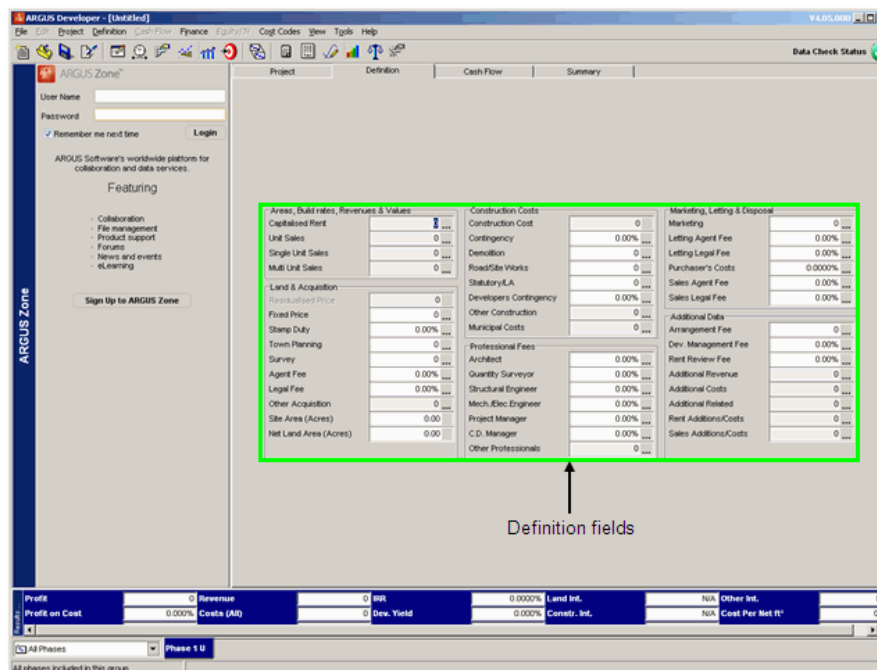
The field you are currently working on determines what information is shown in the status bar, at the bottom of the screen. The status bar displays a brief description of the currently selected field in the Definition tab.

Page tabs

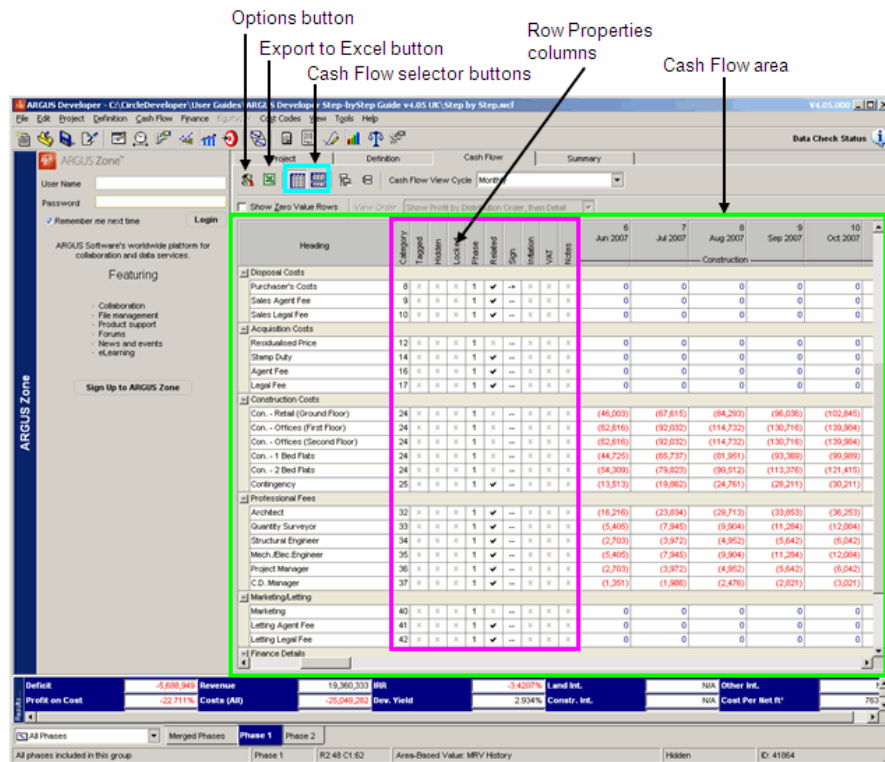
To familiarise yourself with the main pages in the user interface, click on the Project, Definition, Cash Flow and Summary tabs. These pages contain the major areas where you can view data and perform various data input tasks.



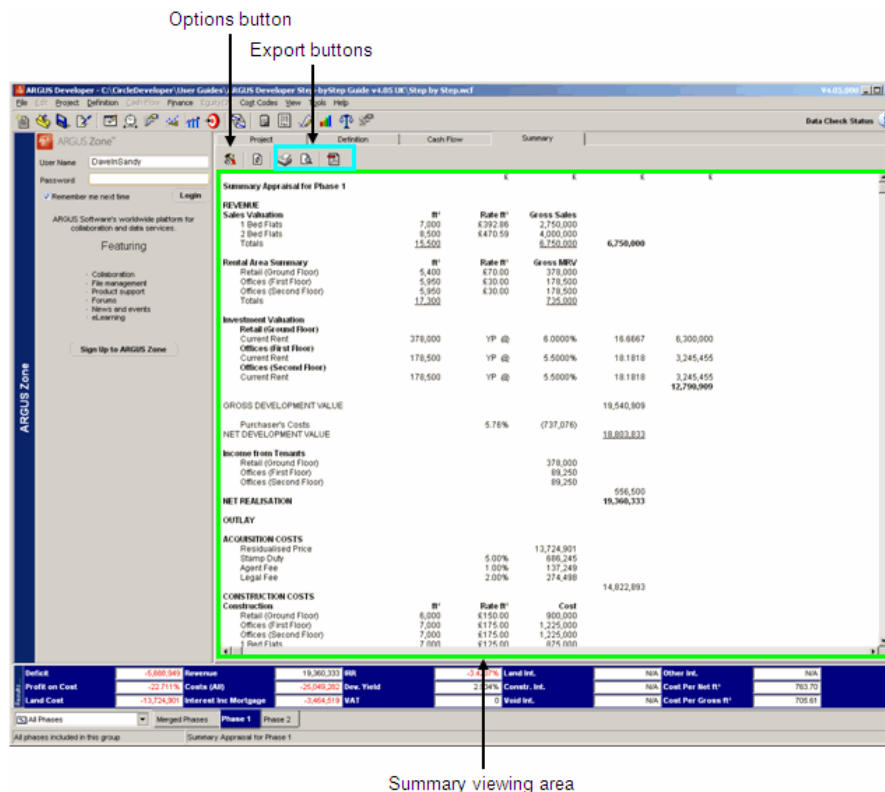
The **Project** tab (as shown above) is the default tab, displayed when you start up ARGUS Developer



The **Definition** tab (as shown above) contains the main data input fields



The **Cash Flow** tab (as shown above) allows you to view and interact with cash flow data



The **Summary** tab (as shown above) allows you to view the Summary report

For more information about the user interface, please refer to the ARGUS Developer user manual (see the **ARGUS DeveloperUserManual.pdf** file or press the **F1** key to view the help).

Proceed to the next section, “Customising the Results Bar”.

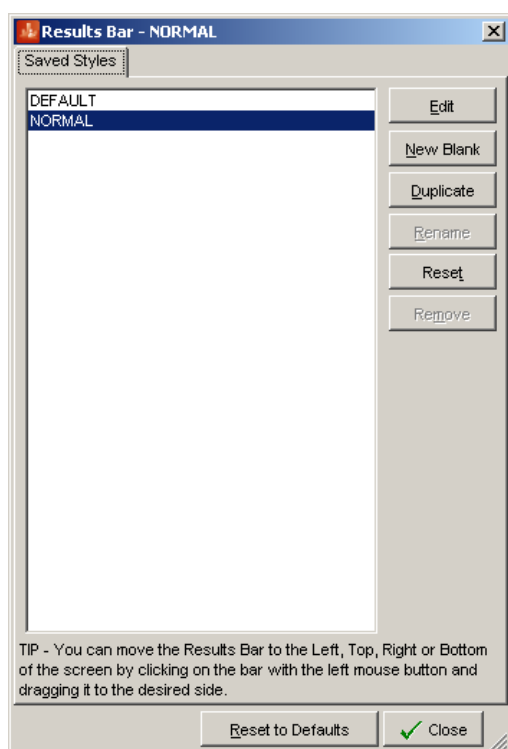
Customising the Results Bar

As you enter data, you will be able to view the results in the Results Bar.

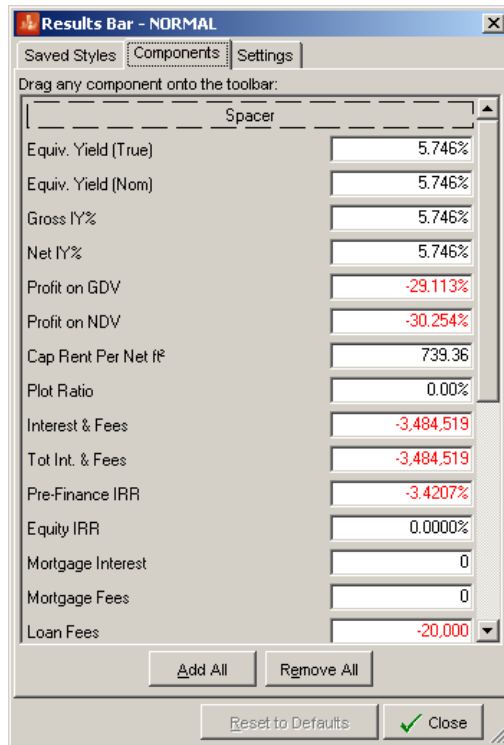
So, before you begin, it is important that you have the Results Bar tailored to your specific requirements.

For the purposes of this example, we will organise the Results Bar layout to display only a few basic fields. We’ll do this by taking the default style (called “NORMAL”), removing the fields we don’t want, then saving the Results Bar style under a different name.

1. Go to the **Tools** menu, and select the **Configure Results Bar** option. This will open the Results Bar editor:



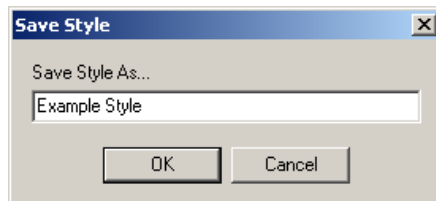
2. Click on the **Edit** button. When the display changes, click on the **Components** tab:



3. In the Results Bar, hold the mouse cursor over the “Land Int.” field - note that it has changed to a hand.
Click and hold down the mouse button to drag the field.
4. Drag the field over to the list of items in the **Components** tab, and drop it in place. This will remove the Land Int. field from the Results Bar.
5. Repeat this procedure for the “Constr. Int.”, “Void Int.” and “Other Int.” fields.

Now you’ve reorganised the Results Bar, you can save the new style under a new name.

6. Click on the **Saved Styles** tab.
7. When the display changes, click on the **Save As...** button.
8. In the Save Style dialog, type in the name “Example Style” and click on **OK**:



9. The new style should appear in the list. Click on the new style in the list to make it the current style for the Results Bar.
10. Click on the **Close** button to close down the Results Bar editor.

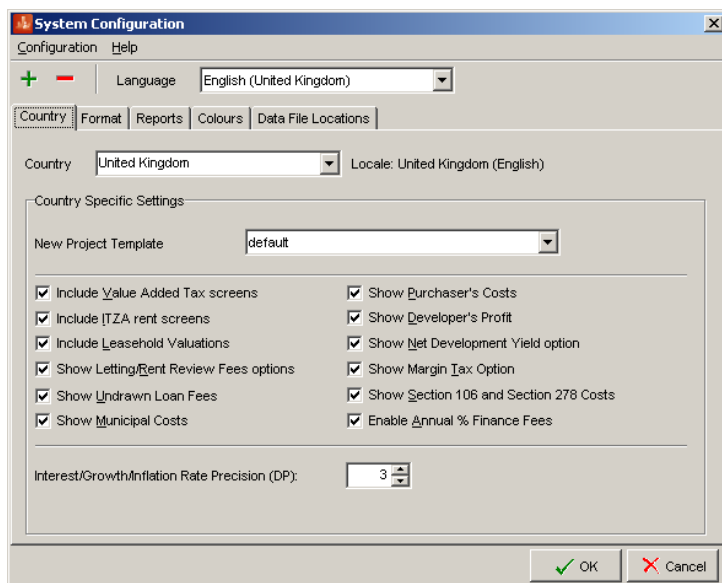
You have now successfully created a new Results Bar style! Proceed to the next section, “Setting country and currency”.

After working through this example project, if you wish to know more about all the different features of the Results Bar, you can refer to the ARGUS Developer user manual (see the **ARGUSDeveloperUserManual.pdf** file or press the **F1** key to view the help).

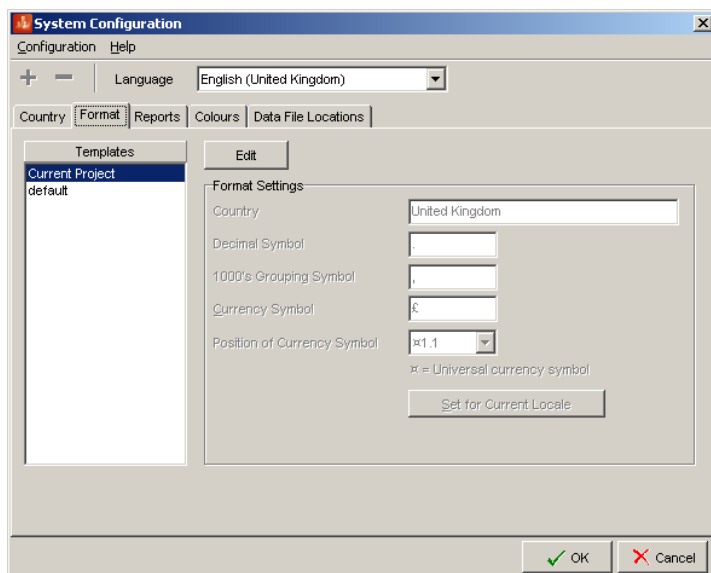
Setting country and currency

Before you can begin inputting data, you have to perform some basic localisation tasks. This involves setting the country, the language that will be used, and the currency symbol that will be used throughout the project.

1. Go to the **File** menu and select the **Administration** option. In the sub-menu, select **System Configuration...**
2. This opens the System Configuration dialog box:



3. Select all the check boxes in the bottom part of the dialog to turn on all the features.
4. In the **Language** drop-down, select the language you prefer to work with. For the purposes of this example, we are using “English (United Kingdom)”. Your version may be different, so you can select the appropriate item from the list.
5. In the **Country** drop-down, the setting should be already selected. For the purposes of this example, we are using “United Kingdom” as the setting. Your version may be different, so you can select the appropriate item from the list.
6. Click on the **Format** tab.



We're now going to set the currency that will be used throughout this project:

7. Click on the **Edit** button on the **Format** page.
8. In the **Currency Symbol** field, select whatever is in the field and type in £ (a Pound symbol).

Note: You can type in the currency symbol you wish to work with.

9. Click on the **Save** button to save your settings.
10. Click on **OK** to exit from the System Configuration window.

You have now successfully set the currency symbol. Proceed to the next chapter, "The Project Tab".

After working through this example project, if you wish to know more about all the different features of the system configuration window, you can refer to the ARGUS Developer user manual (see the **ARGUSDeveloperUserManual.pdf** file or press the **F1** key to view the help).

Note: If you wish to save your work at this point, skip ahead to "Saving files" on page 71.

CHAPTER 3

The Project Tab

This chapter walks you through the tasks you must perform with the Project tab. If you have just started ARGUS Developer, the Project page should be displayed by default:

The screenshot shows the ARGUS Developer software interface. The title bar indicates the file path: C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf. The menu bar includes File, Edit, Project, Definition, Cash Flow, Finance, Equity/JV, Cost Codes, View, Tools, and Help. The toolbar contains various icons for file operations and calculations. The sidebar on the left features the 'ARGUS Zone' logo, login fields for User Name and Password, a 'Remember me next time' checkbox, and a 'Login' button. Below the login fields, it mentions 'ARGUS Software's worldwide platform for collaboration and data services' and lists features like Collaboration, File management, Product support, Forums, News and events, and eLearning. A 'Sign Up to ARGUS Zone' button is also present. The main workspace is divided into tabs: Project (selected), Definition, Cash Flow, and Summary. The 'Project settings' section includes fields for Primary title, Secondary title, Address, Created by, and Project Start Date (Jun 2008). Below these are four numbered steps: 1. Apply Options, Switches and Assumptions for Calculations; 2. Set up the Timescale in Phases and Stages; 3. Structured Finance; 4. Enter or view details on the Definitions and Cash Flow pages. At the bottom, a summary table displays financial metrics:

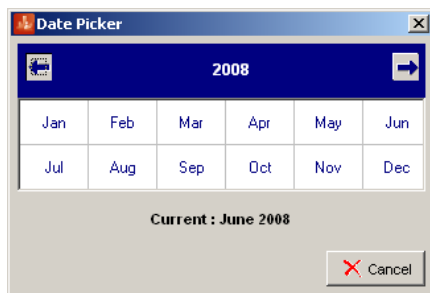
Profit	0	Revenue	0	IRR	0.0000%	Cost Per Net ft²	0.00
Profit on Cost	0.0000%	Costs (All)	0	Dev. Yield	0.0000%	Cost Per Gross ft²	0.00
Land Cost	0	Interest Inc Mortgage	0	VAT	0		

Below the table, there is a dropdown menu for 'All Phases' and a 'Phase 1 U' button. The status bar at the bottom indicates 'All phases included in this group' and 'Definition of general Project Details and Assumptions'.

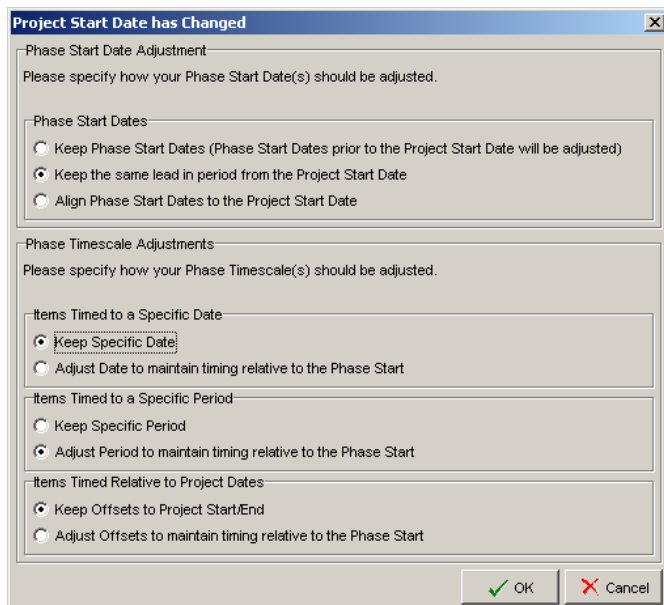
1. In the **Primary title** field, type in “Step By Step Example”. This will be our working title for the project.
2. In the **Address** fields, type in your company address (this step is optional).
3. In the **Created by** field, type in your name or the name of your company (this step is optional).

Note that the Project Start Date has already been filled in automatically with the current month and year.

4. If the Project Start Date does not say “Jan 2008”, you can change it by clicking on the Project Start Date link (the blue underlined text). This opens the Date Picker:



5. Select January 2008 from the Date Picker.
6. If you are changing the date, the following dialog will appear:



7. Click on **OK** to use the date you have picked.
- Your screen should now look something like the following:

ARGUS Developer - C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf V4.05.000

File Edit Project Definition Cash Flow Finance Equity/JV Cost Codes View Tools Help

ARGUS Zone™

User Name
 Password
☒ Remember me next time

ARGUS Software's worldwide platform for collaboration and data services.

Featuring

- Collaboration
- File management
- Product support
- Forums
- News and events
- eLearning

Project settings

Primary title
 Secondary title
 Address
 Created by
 Project Start Date

1. Apply Options, Switches and Assumptions for Calculations
2. Set up the Timescale in Phases and Stages
3. Structured Finance
4. Enter or view details on the Definitions and Cash Flow pages

Profit	0	Revenue	0	IRR	0.0000%	Cost Per Net ft²	0.00
Profit on Cost	0.0000%	Costs (All)	0	Dev. Yield	0.0000%	Cost Per Gross ft²	0.00
Land Cost	0	Interest Inc Mortgage	0	VAT	0		

All Phases

All phases included in this group Definition of general Project Details and Assumptions

You have now successfully entered the basic details for the project. To make further project settings, proceed to the next chapter, “Set-up and assumptions”.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

CHAPTER 4

Set-up and assumptions

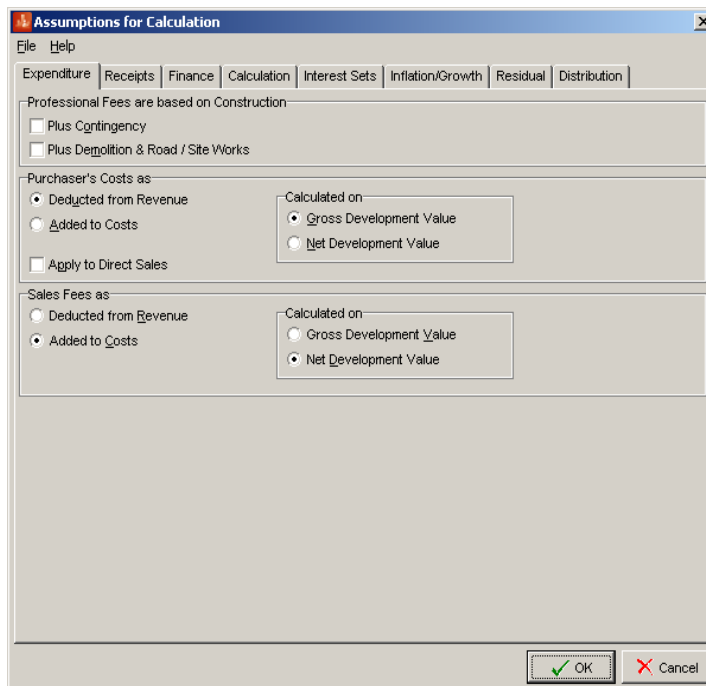
Assumptions/Defaults

The next stage is for you to set up the basic assumptions and defaults that will be used to determine how calculations will be performed in this project.

1. Click on the **Assumptions for Calculations** button, which you can find on both the main toolbar and also in the middle of the Project page:



2. This opens the Assumptions for Calculation window:



Here, we will focus on just the basic settings that will be required for calculations in this example project. Hence, for the purposes of this quick walk-through, we will not be looking at all of the features in this window. The tabs and controls that we do not cover here will be left at their default settings.

3. Click on the **Receipts** tab to display the controls on the Receipts page:

The screenshot shows the 'Assumptions for Calculation' dialog box with the 'Receipts' tab selected. The 'Rental Income' section has the following settings: 'Show tenant's true income stream' is checked, 'Offset income against development costs' is unchecked, 'Rent Payment Cycle' is set to 'Quarterly (Adv)', 'Apply Cycle to all tenants' is checked, 'Renewal Void and Rent Free apply to first renewal only' is unchecked, and 'Growth starts from Lease Start Date' is unchecked. The 'Capitalisation' section has: 'Capitalisation Method' set to 'Hardcore', 'Default Capitalisation Yield' set to '0.0000%', 'Apply Yield to all tenants' is unchecked, 'Default stage for Sale Date' is set to 'Sale', 'Align end of income stream to Sale Date' is unchecked, 'Apply Alignment to all tenants' is checked, 'If Capital Value is modified' is set to 'Recalculate the Yield', 'Valuation Tables' is set to 'Annually in Arrears', and 'Deduct Post-Sale [] Costs and Lease Commissions from Capital Value' is unchecked. The 'Rent Free Costs' section has 'Methods' set to 'Defer start of Tenant's Rent', 'Deduct Rent Free from Revenue' is unchecked, and 'Add Rent Free to Costs' is checked. The 'OK' and 'Cancel' buttons are at the bottom right.

In the **Capitalisation** section, make sure that the **Apply Yield to all tenants** check box is unchecked.

4. Click on the **Interest Sets** tab to display the controls on the Interest Sets page:

The screenshot shows the 'Assumptions for Calculation' dialog box with the 'Interest Sets' tab selected. On the left, there is a list of 'Interest Set Name' with 'Interest Set 1' and 'Loan Set 1' listed. The main area is titled 'Rates for Selected Set' and contains a table with columns: '#', 'Rate', 'Months', and 'Start Date'. The table has 10 rows, all with a rate of 0.000% and 0 months. The 'Start Date' for the first row is 'Jan 2008'. The 'OK' and 'Cancel' buttons are at the bottom right.

#	Rate	Months	Start Date
1	0.000%	0	Jan 2008
2	0.000%	0	
3	0.000%	0	
4	0.000%	0	
5	0.000%	0	
6	0.000%	0	
7	0.000%	0	
8	0.000%	0	
9	0.000%	0	
10	0.000%	0	

You may see some items already listed here.

- In the **Interest Set Name** list, select the first item, and change the text to say "Interest Set 1". Type in "7.00%" in the first cell in the **Rate** column.
- In the **Interest Set Name** list, select the next item, and change the text to say "Preferred Return". Type in "8.00%" in the first cell in the **Rate** column.

7. Click on the **Residual** tab to display the controls on the Residual page:

Assumptions for Calculation

File Help

Expenditure Receipts Finance Calculation Interest Sets Inflation/Growth **Residual** Distribution

Land Cost Mode

☒ Fixed Land Value

☐ Residualised Land Value

☐ Part Fixed / Part Residual

OK Cancel

8. Click on the **Residualised Land Value** option to display more controls.

9. In the **Target Type** drop-down, select the “Profit on Cost” option.

Assumptions for Calculation

File Help

Expenditure Receipts Finance Calculation Interest Sets Inflation/Growth **Residual** Distribution

Land Cost Mode

☐ Fixed Land Value

☒ Residualised Land Value

☐ Part Fixed / Part Residual

Multi-Phasing Separate Land Residual for each phase

Specific Fixed Targets

Target Type Profit on Cost

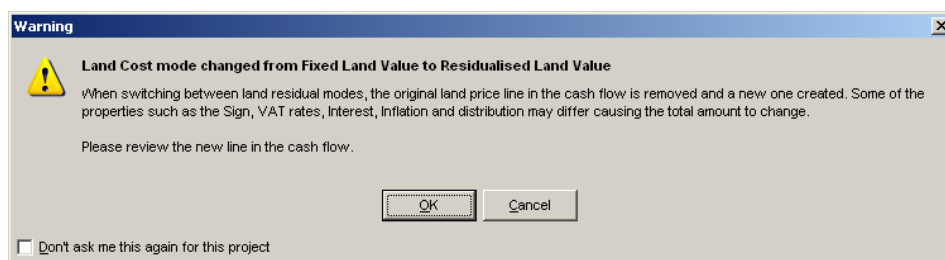
Phase Number	Profit on Cost	Locked Value?	Treat Neg. Land as Revenue
Phase 1	20.00%	☐	☐

OK Cancel

10. In the **Profit on Cost** column, enter “20.00%” as the value.

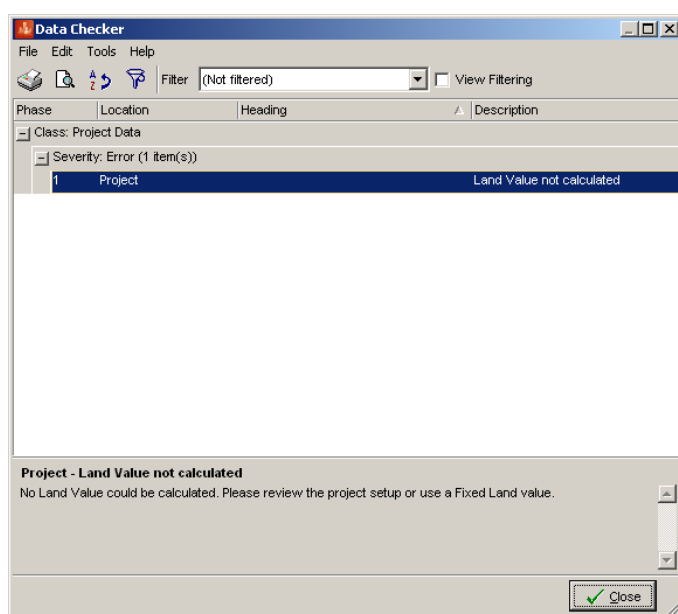
11. Click on the **OK** button to accept your settings.

12. A message like the following may appear, warning you that you are changing the residual mode:



13. Click **OK** to proceed.

14. If the Data Checker appears (see below), click on the **Close** button to close it down.



You have now set the basic assumptions that will be used when ARGUS Developer performs calculations.

Please proceed to the next chapter, “Timescale and Phasing” on page 19, where you will define the timing of the stages within the first phase.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

CHAPTER 5

Timescale and Phasing

1. Click on the **Timescale and Phasing** button, which you can find on both the main toolbar and also in the middle of the Project page:



This will display the Timescale and Phasing window:

No.	Development Stage	Duration	Start Date	End Date	Jan 08	Mar 08	May 08	Jul 08	Sep 08	Nov 08	Jan 09
1	Purchase	0	Jan 2008	Jan 2008							
2	Pre-Construction	0	Jan 2008	Jan 2008							
3	Construction	0	Jan 2008	Jan 2008							
4	Post Development	0	Jan 2008	Jan 2008							
5	Letting	0	Jan 2008	Jan 2008							
6	Income Flow	0	Jan 2008	Jan 2008							
7	Sale	0	Jan 2008	Jan 2008							

Phase Length (months): 0
(Allows for overlapping stages)

Hold down SHIFT to move the dragged stage and any attached stages together.

Project Timescale

Project Start: Jan 08 Phase 1 U: 0 mths
Project End: Jan 08 Project: 0 mths

All Phases: Phase 1 U

OK Cancel

2. Click on the **Extra Detail Columns** button  to show additional columns (shown outlined in green in the following picture):

Timescale and Phasing

File View Options Help

Project Start Date: Jan 2008 Phase Name:

Phase Start Date: Jan 2008 Phase End Date: Jan 2008

No.	Development Stage	Duration	Start Date	End Date	Anchored To	Align	Offset	Jan 08	Feb 09	Mar 10	Apr 11
1	Purchase	0	Jan 2008	Jan 2008	Phase Start	Start	0				
2	Pre-Construction	0	Jan 2008	Jan 2008	Purchase	End	0				
3	Construction	0	Jan 2008	Jan 2008	Pre-Construction	End	0				
4	Post Development	0	Jan 2008	Jan 2008	Construction	End	0				
5	Letting	0	Jan 2008	Jan 2008	Post Development	End	0				
6	Income Flow	0	Jan 2008	Jan 2008	Letting	End	0				
7	Sale	0	Jan 2008	Jan 2008	Income Flow	End	0				

Phase Length (months): 0

(Allows for overlapping stages) Hold down SHIFT to move the dragged stage and any attached stages together.

Validations Timescale

Project Timescale

Jan 08 Phase 1 U: 0 mths

Jan 08 Project: 0 mths

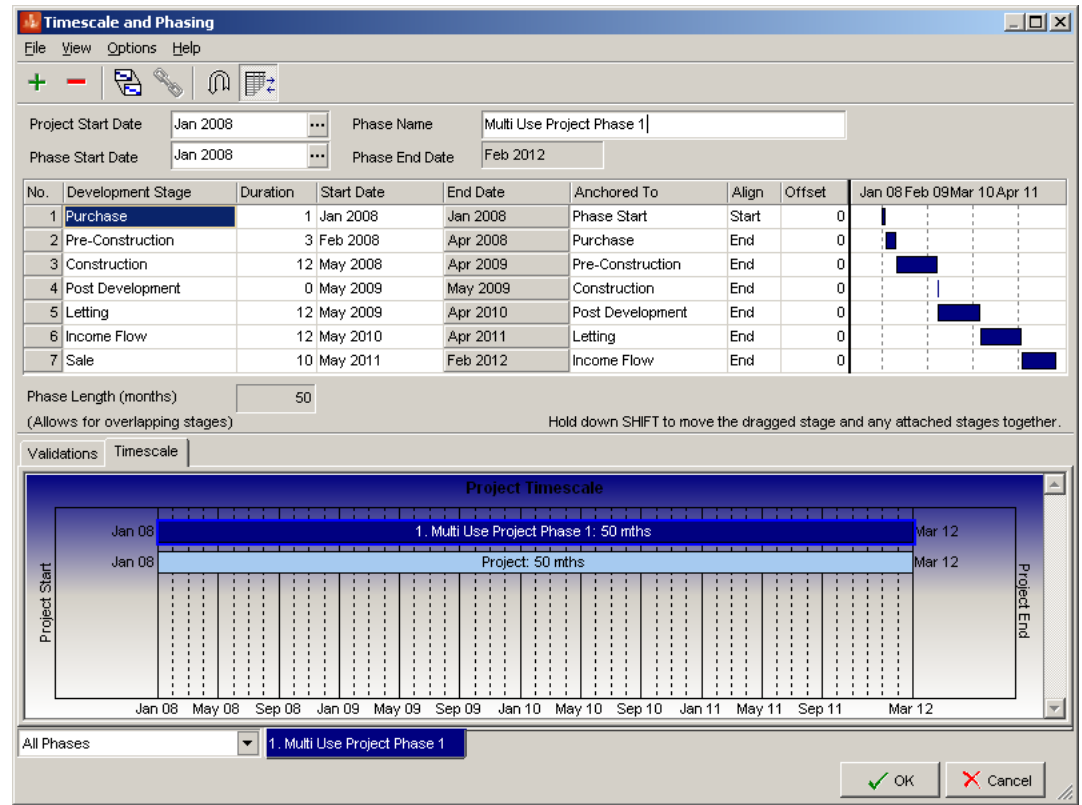
All Phases: Phase 1

OK Cancel

These extra columns show the relationships between the stages.

3. Against "Purchase", in the **Duration** column, type in "1".
4. Against "Pre-Construction", in the **Duration** column, type in "3".
5. Against "Construction", in the **Duration** column, type in "12".
6. Against "Letting" (or "Leasing"), in the **Duration** column, type in "12".
7. Against "Income Flow", in the **Duration** column, type in "12".
8. Against "Sale", in the **Duration** column, type in "10".
9. In the **Phase Name** field at the top of the window, type in "Multi Use Project Phase 1" to give the phase a name.

Your Timescale and Phasing window should look like the following picture:



10. Click on the **OK** button to accept your settings.

Please proceed to the next chapter, “The Definition Tab” on page 23.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

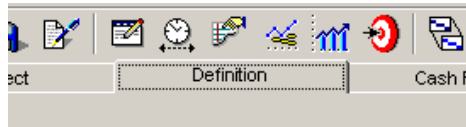
CHAPTER 6

The Definition Tab

This chapter walks you through the tasks you must perform with the Definition page. This page contains all the cost and revenue inputs, concentrated in one place.

In this example, the development we are modelling comprises a mixed use scheme of ground floor retail with first and second floor offices, plus some 1 and 2 bed flats.

To open the Definition page, click on the Definition tab:



The Definition page is where you will enter most of the data that will be used in calculations:

ARGUS Developer - C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf Y4.05.000

File Edit Project Definition Cash Flow Finance Equity/IV Cost Codes View Tools Help

Project Definition Cash Flow Summary

ARGUS Zone

Areas, Build rates, Revenues & Values

Capitalised Rent	0 ...
Unit Sales	0 ...
Single Unit Sales	0 ...
Multi Unit Sales	0 ...

Land & Acquisition

Residualised Price	0
Fixed Price	0
Stamp Duty	0.00%
Town Planning	0 ...
Survey	0 ...
Agent Fee	0.00%
Legal Fee	0.00%
Other Acquisition	0 ...
Site Area (Acres)	0.00
Net Land Area (Acres)	0.00

Construction Costs

Construction Cost	0
Contingency	0.00%
Demolition	0 ...
Road/Site Works	0 ...
Statutory/LA	0 ...
Developers Contingency	0.00%
Other Construction	0 ...
Municipal Costs	0 ...

Professional Fees

Architect	0.00%
Quantity Surveyor	0.00%
Structural Engineer	0.00%
Mech./Elec. Engineer	0.00%
Project Manager	0.00%
C.D. Manager	0.00%
Other Professionals	0 ...

Marketing, Letting & Disposal

Marketing	0 ...
Letting Agent Fee	0.00%
Letting Legal Fee	0.00%
Purchaser's Costs	0.0000%
Sales Agent Fee	0.00%
Sales Legal Fee	0.00%

Additional Data

Arrangement Fee	0 ...
Dev. Management Fee	0.00%
Rent Review Fee	0.00%
Additional Revenue	0 ...
Additional Costs	0 ...
Additional Related	0 ...
Rent Additions/Costs	0 ...
Sales Additions/Costs	0 ...

Results:

Profit	0	Revenue	0	IRR	0.0000%	Cost Per Net ft²	0.00
Profit on Cost	10.0000%	Costs (All)	0	Dev. Yield	0.0000%	Cost Per Gross ft²	0.00
Land Cost	0	Interest Inc Mortgage	0	VAT	0		

All Phases Phase 1

All phases included in this group

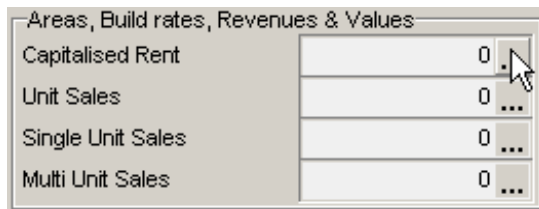
On the Definition page, there are many entry fields. In this chapter, we will walk you through the completion of the most important of these. For the purposes of this walkthrough, we will not be covering every option in this form.

Most of the entry fields have a **Detail View** button  next to them. To enter details, you can either click on this button or double-click on the field. Some fields are greyed, so the only way you can enter details is by using the button.

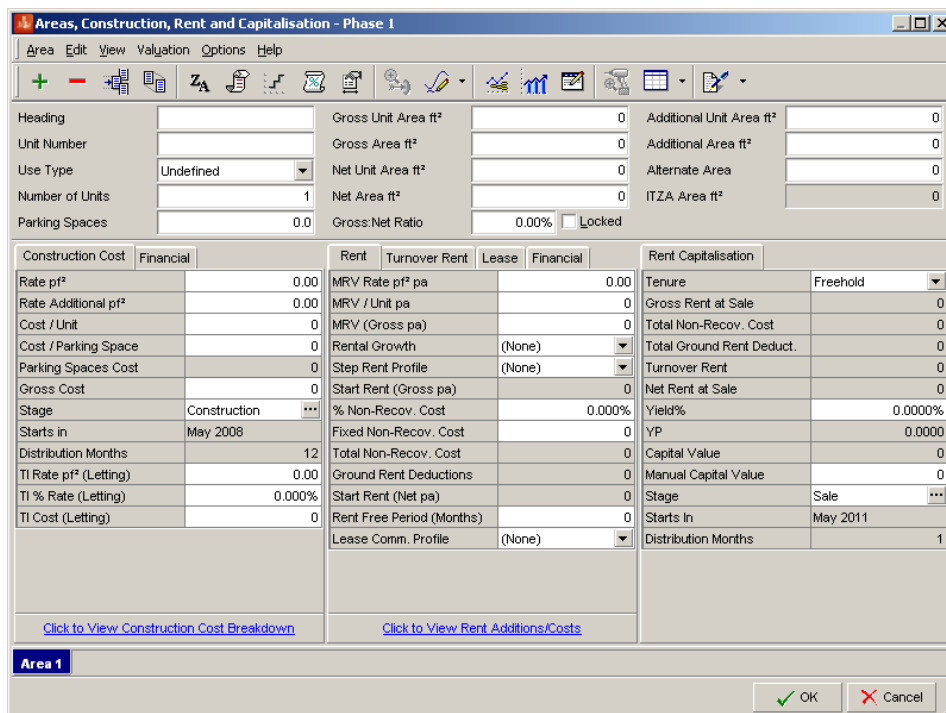
First, we will input details of the buildings that will be let on completion, then add as an investment. In this example, the buildings will be the retail and office units.

Capitalised Rent

Click on the **Detail View** button next to the **Capitalised Rent** field:



This will open the Traditional Construction and Rent window:



If you don't see a window that looks like this, click on the **Line Detail View** button: 

Defining the first area (a retail unit)

1. In the **Heading** field, type in "Retail (Ground Floor)". You will notice that the tab at the bottom of the window will change from "Area 1" to say "Retail (Ground Floor)".
2. In the **Unit Number** field, type in "1".
3. In the **Use Type** drop-down, select the "Retail Shop" option.
4. In the **Number of Units** field, type in "1".
5. In the **Gross:Net Ratio** field, select the value in the field and type in "90".
6. Click on the **Locked** check box to lock the Gross: Net Ratio in place.

7. In the **Gross Unit Area** field, type in “6000”. The **Gross Area**, **Net Unit Area** and **Net Area** fields will be automatically completed, so you don’t need to enter an amount. This amount will be calculated using the percentage ratio specified in the **Gross:Net Ratio** field.
8. Click on the **Construction Cost** tab:

Construction Cost	Financial
Rate pf ²	0.00
Rate Additional pf ²	0.00
Cost / Unit	0
Cost / Parking Space	0
Parking Spaces Cost	0
Gross Cost	0
Stage	Construction ...
Starts in	May 2008
Distribution Months	12
TI Rate pf ² (Letting)	0.00
TI % Rate (Letting)	0.000%
TI Cost (Letting)	0
Click to View Construction Cost Breakdown	

9. In the **Rate pf²** (or **Rate pm²**) field, type in “150” and press the Tab key.
10. Click on the **Rent** tab:

Rent	Turnover Rent	Lease	Financial
MRV Rate pf ² pa	0.00		
MRV / Unit pa	0		
MRV (Gross pa)	0		
Rental Growth	(None)		
Step Rent Profile	(None)		
Start Rent (Gross pa)	0		
% Non-Recov. Cost	0.000%		
Fixed Non-Recov. Cost	0		
Total Non-Recov. Cost	0		
Ground Rent Deductions	0		
Start Rent (Net pa)	0		
Rent Free Period (Months)	0		
Lease Comm. Profile	(None)		
Click to View Rent Additions/Costs			

11. In the **MRV Rate pf² pa** (or **MRV Rate pm² pa**) field, type in “70”.
12. In the **Rent Free Period (mths)** field, type in “12”.

13. Now, click on the Rent Capitalisation tab:

Rent Capitalisation	
Tenure	Freehold
Gross Rent at Sale	378,000
Total Non-Recov. Cost	0
Total Ground Rent Deduct.	0
Turnover Rent	0
Net Rent at Sale	378,000
Yield%	0.0000%
YP	0.0000
Capital Value	0
Manual Capital Value	0
Stage	Sale
Starts In	May 2011
Distribution Months	1

14. In the **Tenure** drop-down, select “Freehold”.

15. In the **Yield%** field, select the value in the field and type in “6”.

Your settings should now look like this:

Heading	Retail (Ground Floor)	Gross Unit Area ft²	6,000	Additional Unit Area ft²	0
Unit Number	1	Gross Area ft²	6,000	Additional Area ft²	0
Use Type	Retail Shop	Net Unit Area ft²	5,400	Alternate Area	0
Number of Units	1	Net Area ft²	5,400	ITZA Area ft²	0
Parking Spaces	0.0	Gross:Net Ratio	90.00% ☒ Locked		

Construction Cost		Financial		Rent		Turnover Rent		Lease		Financial		Rent Capitalisation	
Rate pf²	150.00	MRV Rate pf² pa	70.00	Tenure	Freehold	Gross Rent at Sale	378,000	Total Non-Recov. Cost	0	Total Ground Rent Deduct.	0	Turnover Rent	0
Rate Additional pf²	0.00	MRV / Unit pa	378,000	Net Rent at Sale	378,000	Yield%	6.0000%	YP	16.6667	Capital Value	6,300,000	Manual Capital Value	0
Cost / Unit	900,000	MRV (Gross pa)	378,000	% Non-Recov. Cost	0.0000%	Fixed Non-Recov. Cost	0	Total Non-Recov. Cost	0	Stage	Sale	Starts In	May 2011
Cost / Parking Space	0	Rental Growth	(None)	Start Rent (Gross pa)	378,000	Ground Rent Deductions	0	Rent Free Period (Months)	12	Distribution Months	1		
Parking Spaces Cost	0	Step Rent Profile	(None)	% Non-Recov. Cost	0.0000%	Start Rent (Net pa)	378,000	Lease Comm. Profile	(None)				
Gross Cost	900,000	Start Rent (Gross pa)	378,000										
Stage	Construction	Fixed Non-Recov. Cost	0										
Starts in	May 2008	Total Non-Recov. Cost	0										
Distribution Months	12	Ground Rent Deductions	0										
TI Rate pf² (Letting)	0.00	Start Rent (Net pa)	378,000										
TI % Rate (Letting)	0.0000%	Rent Free Period (Months)	12										
TI Cost (Letting)	0	Lease Comm. Profile	(None)										

[Click to View Construction Cost Breakdown](#)
[Click to View Rent Additions/Costs](#)

You have now successfully created the first area, and can now proceed to create others.

Defining the second area (first floor offices)

The second area we are going to define is for some offices.

1. To add a new area to the list, click on the **Add Area** button:



- This will add a new tab, initially titled “Area 2”:

Click to View Construction Cost Breakdown	
Retail (Ground Floor)	Area 2

- In the **Heading** field, type in “Offices (First Floor)”.
- In the **Use Type** drop-down, select the “Offices” option.
- In the **Number of Units** field, type in “1”.
- In the **Gross:Net Ratio** field, select the value in the field and type in “85”.
- Click on the **Locked** check box to lock the Gross: Net Ratio in place.
- In the **Gross Unit Area** field, type in “7000”. Press the Tab key.
- On the **Construction Cost** tab, in the **Rate pf²** (or **Rate pm²**) field, type in “175”. Press the Tab key.
- On the Rent tab, in the **MRV Rate pf² pa** (or **MRV Rate pm² pa**) field, type in “30”. Press the Tab key.
- In the **Rent Free Period (mths)** field, type in “6”.
- On the Rent Capitalisation tab, in the **Tenure** drop-down, select the “Freehold” option.
- In the **Yield%** field, select the value in the field and type in “5.5”. Press the Tab key.

Your settings should now look like this:

Heading	Offices (First Floor)	Gross Unit Area ft ²	7,000	Additional Unit Area ft ²	0
Unit Number	1	Gross Area ft ²	7,000	Additional Area ft ²	0
Use Type	Offices	Net Unit Area ft ²	5,950	Alternate Area	0
Number of Units	1	Net Area ft ²	5,950	ITZA, Area ft ²	0
Parking Spaces	0.0	Gross:Net Ratio	85.00% ☒ Locked		

Construction Cost		Financial		Rent		Turnover Rent		Lease		Financial		Rent Capitalisation	
Rate pf ²	175.00	MRV Rate pf ² pa	30.00	Tenure	Freehold	Gross Rent at Sale	178,500	Total Non-Recov. Cost	0	Total Ground Rent Deduct.	0	Turnover Rent	0
Rate Additional pf ²	0.00	MRV / Unit pa	178,500			Net Rent at Sale	178,500	Yield%	5.5000%	YP	18.1818	Capital Value	3,245,455
Cost / Unit	1,225,000	MRV (Gross pa)	178,500			Manual Capital Value	0	Stage	Sale	Starts In	May 2011	Distribution Months	1
Cost / Parking Space	0	Rental Growth	(None)										
Parking Spaces Cost	0	Step Rent Profile	(None)										
Gross Cost	1,225,000	Start Rent (Gross pa)	178,500										
Stage	Construction	% Non-Recov. Cost	0.000%										
Starts in	May 2008	Fixed Non-Recov. Cost	0										
Distribution Months	12	Total Non-Recov. Cost	0										
TI Rate pf ² (Letting)	0.00	Ground Rent Deductions	0										
TI % Rate (Letting)	0.000%	Start Rent (Net pa)	178,500										
TI Cost (Letting)	0	Rent Free Period (Months)	6										
		Lease Comm. Profile	(None)										

[Click to View Construction Cost Breakdown](#) [Click to View Rent Additions/Costs](#)

Defining the third area (second floor offices)

The third area we are going to define is for some second floor offices.

- Click on the **Add Area** button to add a new area tab. This new tab will be initially titled “Area 3”:
- In the **Heading** field, type in “Offices (Second Floor)”.
- In the **Use Type** drop-down, select the “Offices” option.

4. In the **Number of Units** field, type in “1”.
5. In the **Gross:Net Ratio** field, select the value in the field and type in “85”.
6. Click on the **Locked** check box to lock the Gross: Net Ratio in place.
7. In the **Gross Unit Area** field, type in “7000”. Press the Tab key.
8. On the **Construction Costs** tab, in the **Rate pf²** (or **Rate pm²**) field, type in “175”. Press the Tab key.
9. On the **Rent** tab, in the **MRV Rate pf² pa** (or **MRV Rate pm² pa**) field, type in “30”. Press the Tab key.
10. In the **Rent Free Period (mths)** field, type in “6”.
11. On the **Rent Capitalisation** tab, in the **Tenure** drop-down, select the “Freehold” option.
12. In the **Yield%** field, select the value in the field and type in “5.5”. Press the Tab key.

Your settings should now look like this:

Heading	Offices (Second Floor)	Gross Unit Area ft ²	7,000	Additional Unit Area ft ²	0
Unit Number		Gross Area ft ²	7,000	Additional Area ft ²	0
Use Type	Offices	Net Unit Area ft ²	5,950	Alternate Area	0
Number of Units	1	Net Area ft ²	5,950	ITZA Area ft ²	0
Parking Spaces	0.0	Gross:Net Ratio	85.00% ☒ Locked		

Construction Cost	Financial	Rent	Turnover Rent	Lease	Financial	Rent Capitalisation
Rate pf ²	175.00	MRV Rate pf ² pa	30.00			Tenure
Rate Additional pf ²	0.00	MRV / Unit pa	178,500			Gross Rent at Sale
Cost / Unit	1,225,000	MRV (Gross pa)	178,500			Total Non-Recov. Cost
Cost / Parking Space	0	Rental Growth	(None)			Total Ground Rent Deduct.
Parking Spaces Cost	0	Step Rent Profile	(None)			Turnover Rent
Gross Cost	1,225,000	Start Rent (Gross pa)	178,500			Net Rent at Sale
Stage	Construction	% Non-Recov. Cost	0.000%			Yield%
Starts in	May 2008	Fixed Non-Recov. Cost	0			YP
Distribution Months	12	Total Non-Recov. Cost	0			Capital Value
TI Rate pf ² (Letting)	0.00	Ground Rent Deductions	0			Manual Capital Value
TI % Rate (Letting)	0.000%	Start Rent (Net pa)	178,500			Stage
TI Cost (Letting)	0	Rent Free Period (Months)	6			Starts In
		Lease Comm. Profile	(None)			Distribution Months

[Click to View Construction Cost Breakdown](#)
[Click to View Rent Additions/Costs](#)

13. Click on the **OK** button to close down the window.

You have now completed setting up the Capitalised Rent values. You can proceed to set up values for Sales.

Sales

Now we will enter details of the residential units that will be sold directly to owner-occupiers.

Click on the **Detail View** button next to the **Unit Sales** field:

Areas, Build rates, Revenues & Values	
Capitalised Rent	12,790,909 ...
Unit Sales	0 ...
Single Unit Sales	0 ...
Multi Unit Sales	0 ...

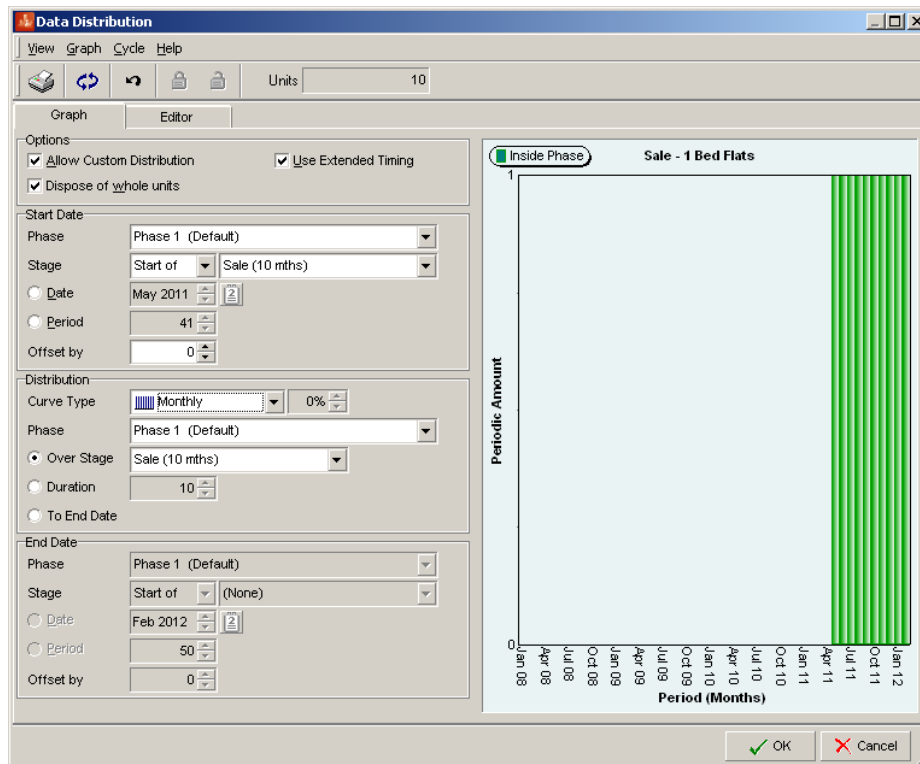
This will open the Areas, Construction and Sales window:

For this walkthrough, we will set up two areas for sales.

Defining the first area (1 bed flats)

1. In the **Heading** field, type in “1 Bed Flats”.
2. In the **Use Type** drop-down, select the “Residential” option.
3. In the **Number of Units** field, type in “10”.
4. In the **Gross Unit Area ft²** (or **Gross Unit Area m²**) field, type in “700”. Press the Tab key.
5. In the **Gross:Net Ratio** field, select the value and type in “100”.
6. Click on the **Locked** check box to lock the Gross: Net Ratio in place.
7. On the Construction Costs tab, in the **Rate pf²** (or **Rate pm²**) field, type in “125”. Press the Tab key.
8. On the Sales tab, in the **Sales/Unit** field, type in “275000”. Press the Tab key.
9. Click on the **Distribution** button  and select the **Sales...** option to open the Data Distribution window.
10. Check the **Allow Custom Distribution** check box.
11. Check the **Dispose of whole units** check box.
12. In the **Distribution** section, select the “Sale (10 mths)” option in the **Over Stage** control.

13. In the **Curve Type** drop-down, select “Monthly”.



14. Click **OK** to close down the window.

The screen should look like the following:

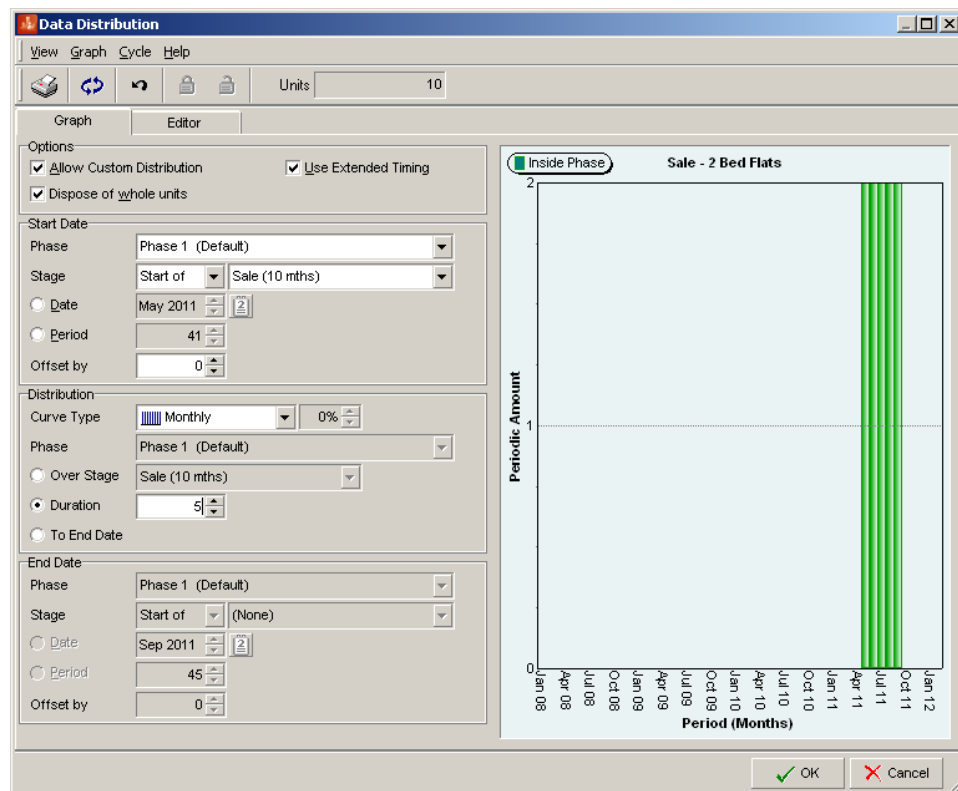
The screenshot shows the 'Areas, Construction and Unit Sales - Phase 1' dialog box. The 'Heading' is '1 Bed Flats'. The 'Unit Number' is empty. The 'Use Type' is 'Residential'. The 'Number of Units' is '10'. The 'Parking Spaces' is '0.0'. The 'Gross Unit Area ft²' is '700'. The 'Gross Area ft²' is '7,000'. The 'Net Unit Area ft²' is '700'. The 'Net Area ft²' is '7,000'. The 'Gross:Net Ratio' is '100.00%' and is locked. The 'Construction Costs' section shows 'Rate pf²' as '125.00', 'Rate Additional pf²' as '0.00', 'Cost / Unit' as '87,500', 'Cost / Parking Space' as '0', 'Parking Spaces Cost' as '0', 'Gross Cost' as '875,000', 'Stage' as 'Construction', 'Starts in' as 'May 2008', and 'Distribution Months' as '12'. The 'Sales' section shows 'Rate pf²' as '392.86', 'Growth Set' as '(None)', 'Sales / Unit' as '275,000', 'Gross Sales' as '2,750,000', '% Deduction' as '0.000%', 'Fixed Deduction' as '0', 'Total Deduction (Grown)' as '0', 'Net Sales (Grown)' as '2,750,000', 'Stage' as 'Sale', 'Starts In' as 'May 2011', and 'Distribution Months' as '10'. The 'Sales Fees' section shows 'Comm. at Sale %' as '0.00%', 'Comm. at Completion %' as '0.00%', and 'Unsold Unit Fee / Month' as '0.00'. There are links to 'Click to View Construction Cost Breakdown' and 'Click to View Sales Additions/Costs'. The bottom of the dialog shows '1 Bed Flats' and 'OK' and 'Cancel' buttons.

You can now proceed to set up the second area.

Defining the second area (2 bed flats)

The second area we are going to define is for some 2 bed flats.

1. To add a new area, click on the **Add Area** button: 
2. This will add a new tab, initially titled "Area 2":
3. In the **Heading** field, type in "2 Bed Flats".
4. In the **Use Type** drop-down, select the "Residential" option.
5. In the **Number of Units** field, type in "10".
6. In the **Gross Unit Area ft²** (or **Gross Unit Area m²**) field, type in "850". Press the Tab key.
7. In the **Gross:Net Ratio** field, select the value and type in "100".
8. Click on the **Locked** check box to lock the Gross: Net Ratio in place.
9. On the Construction Costs tab, in the **Rate pf²** (or **Rate pm²**) field, type in "125". Press the Tab key.
10. On the Sales tab, in the **Sales/Unit** field, type in "400000".
11. Click on the **Distribution** button  and select the **Sales...** option to open the Data Distribution window.
12. Check the **Allow Custom Distribution** check box.
13. Check the **Dispose of whole units** check box.
14. In the **Curve Type** drop-down, select the "Monthly" option.
15. In the **Duration** field, type in "5" to set the duration to 5 months.



16. Click **OK** to close down the window.

The screen should look like the following:

Areas, Construction and Unit Sales - Phase 1

Area Edit View Options Help

Heading: 2 Bed Flats
 Unit Number:
 Use Type: Residential
 Number of Units: 10
 Parking Spaces: 0.0

Gross Unit Area ft²: 850
 Gross Area ft²: 8,500
 Net Unit Area ft²: 850
 Net Area ft²: 8,500
 Gross:Net Ratio: 100.00% ☒ Locked

Additional Unit Area ft²: 0
 Additional Area ft²: 0
 Alternate Area: 0

Construction Costs		Sales		Sales Fees	
Rate pf²	125.00	Rate pf²	470.59	Comm. at Sale %	0.00%
Rate Additional pf²	0.00	Growth Set	(None)	Comm. at Completion %	0.00%
Cost / Unit	106,250	Sales / Unit	400,000	Unsold Unit Fee / Month	0.00
Cost / Parking Space	0	Gross Sales	4,000,000		
Parking Spaces Cost	0	% Deduction	0.000%		
Gross Cost	1,062,500	Fixed Deduction	0		
Stage	Construction	Total Deduction (Grown)	0		
Starts in	May 2008	Net Sales (Grown)	4,000,000		
Distribution Months	12	Stage	Sale		
		Starts In	May 2011		
		Distribution Months	5		

[Click to View Construction Cost Breakdown](#) [Click to View Sales Additions/Costs](#)

1 Bed Flats **2 Bed Flats**

OK Cancel

17. Click on the **OK** button to accept your settings and exit from the Traditional Construction and Sales window.

Fees

Now that you have entered the rent capitalisation and sales figures, you can define various fees on the Definition page; most of these will be defined as percentages.

1. In the **Stamp Duty** field, type in “5”.
2. In the **Agent Fee** field, type in “1”.
3. In the **Legal Fee** field, type in “2”.
4. In the **Contingency** field, type in “5”.
5. In the **Architect** field, type in “6”.
6. In the **Quantity Surveyor** field, type in “2”.
7. In the **Structural Engineer** field, type in “1”.
8. In the **Mech/Elec Engineer** field, type in “2”.
9. In the **Project Manager** field, type in “1”.
10. In the **CD Manager** field, type in “0.5”.
11. In the **Marketing** field, type in “100000”.
12. In the **Letting Agent Fee** field, type in “15”.
13. In the **Letting Legal Fee** field, type in “5”.
14. In the **Purchaser’s Costs** field, type in “5.7625”.
15. In the **Sales Agent Fee** field, type in “1”.
16. In the **Sales Legal Fee** field, type in “0.5”.

Your screen should now look something like the following:

ARGUS Developer - C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf V4.05.000

File Edit Project Definition Cash Flow Finance Equity JV Cost Codes View Tools Help

Project Definition Cash Flow Summary

ARGUS Zone

Areas, Build rates, Revenues & Values	
Capitalised Rent	12,790,909 ...
Unit Sales	6,750,000 ...
Single Unit Sales	0 ...
Multi Unit Sales	0 ...

Land & Acquisition	
Residualised Price	-8,404,386 ...
Fixed Price	0 ...
Stamp Duty	5.00% ...
Town Planning	0 ...
Survey	0 ...
Agent Fee	1.00% ...
Legal Fee	2.00% ...
Other Acquisition	0 ...
Site Area (Acres)	0.00 ...
Net Land Area (Acres)	0.00 ...

Construction Costs	
Construction Cost	-5,287,500 ...
Contingency	5.00% ...
Demolition	0 ...
Road/Site Works	0 ...
Statutory/LA	0 ...
Developers Contingency	0.00% ...
Other Construction	0 ...
Municipal Costs	0 ...

Professional Fees	
Architect	6.00% ...
Quantity Surveyor	2.00% ...
Structural Engineer	1.00% ...
Mech./Elec. Engineer	2.00% ...
Project Manager	1.00% ...
C.D. Manager	0.50% ...
Other Professionals	0 ...

Marketing, Letting & Disposal	
Marketing	-100,000 ...
Letting Agent Fee	15.00% ...
Letting Legal Fee	5.00% ...
Purchaser's Costs	5.7625% ...
Sales Agent Fee	1.00% ...
Sales Legal Fee	0.50% ...

Additional Data	
Arrangement Fee	0 ...
Dev. Management Fee	0.00% ...
Rent Review Fee	0.00% ...
Additional Revenue	0 ...
Additional Costs	0 ...
Additional Related	0 ...
Rent Additions/Costs	0 ...
Sales Additions/Costs	0 ...

Profit	3,163,726	Revenue	18,982,333	IRR	6.2276%	Cost Per Net ft²	482.27
Profit on Cost	20.000%	Costs (All)	-15,818,607	Dev. Yield	4.646%	Cost Per Gross ft²	445.59
Land Cost	-8,404,386	Interest Inc Mortgage	0	VAT	0		

Phase: All Phases Phase 1

All phases included in this group

That's it! You have now successfully defined the costs that will be used in the calculations. Please proceed to the next chapter, "Structured Finance" on page 35.

Note: If you wish to save your work at this point, skip ahead to "Saving files" on page 71.

CHAPTER 7

Structured Finance

Let's assume that our project is to be financed by two equity partners (contributing 10% and 20% project costs upfront) with the remainder financed through a bank loan, for which there will be fees and interest payable.

After repaying all parties, any profit will be shared between the two equity parties in a 60:40 split.

To open the Structured Finance module, you can either click on the **Structured Finance** button:



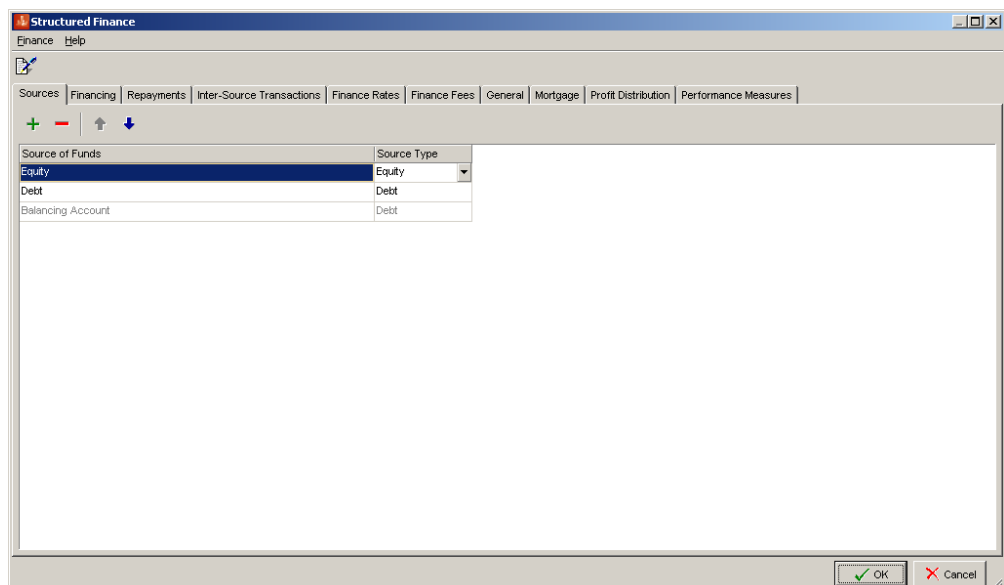
or you can use the **Project | Structured Finance...** menu option.

Alternatively, you can use the **Finance | Setup Funding Sources...** menu option.

The Structured Finance window allows you to define funding sources and specify the structure of finance in your project.

Sources tab

1. Click on the **Sources** tab to begin setting up funding sources.



2. On the Sources page, click on the **Add Source** button to add a new item.
By default, there will be several items already in the list ("Equity", "Debt" and "Balancing Account").
3. Give it the name "Equity 2" and select "Equity" from the **Source Type** drop-down.

You can now proceed to the next section.

Finance Fees tab

1. Click on the Finance Fees tab to open the Finance Fees page.
Here, you will create a Fee Set that will be referenced elsewhere in ARGUS Developer, such as in the items you will create on the Financing page.

2. Click on the **Add Loan Fee Set** button to add a new item to the list - this will be automatically named "Fee Set 1".
3. In the **Fee Set Name** column, type in "Bank Fees".
4. In the **Heading** column, type in "Bank Fees".
5. In the **Fee Type** drop-down, select "Fixed".
6. In the **Fixed Amount** field, type in "20,000".

You can now proceed to the next section.

Finance Rates tab

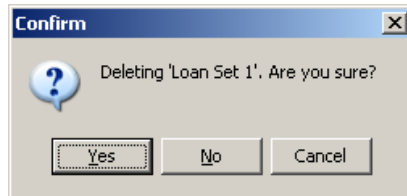
1. Click on the Finance Rates tab to open the Finance Rates page.

This page will show one Finance Set by default.

2. We're not going to use this Finance Set, so you can remove it by clicking on the **Delete Finance Set** button:

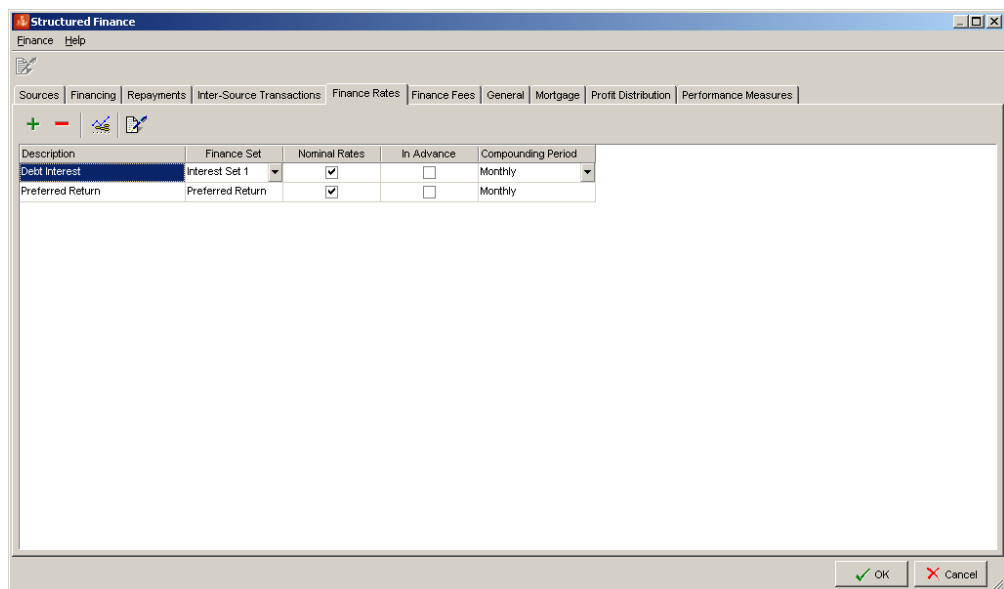


3. When prompted to do so, confirm the deletion:



4. To add a new item to the list, click on the **Add Finance Set** button: 
5. This will add a new item with the default name "Loan Set 1". In the **Description** field, type in "Debt Interest".
6. In the **Finance Set** drop-down, select the "Interest Set 1" option.
7. Check the **Nominal Rates** check box.
8. Click on the **Add Finance Set** button again to create a new Finance Set.
9. In the **Description** field, rename this to read "Preferred Return".
10. In the **Finance Set** drop-down, select the "Preferred Return" option.
11. Check the **Nominal Rates** check box.

Your screen should look like the following:

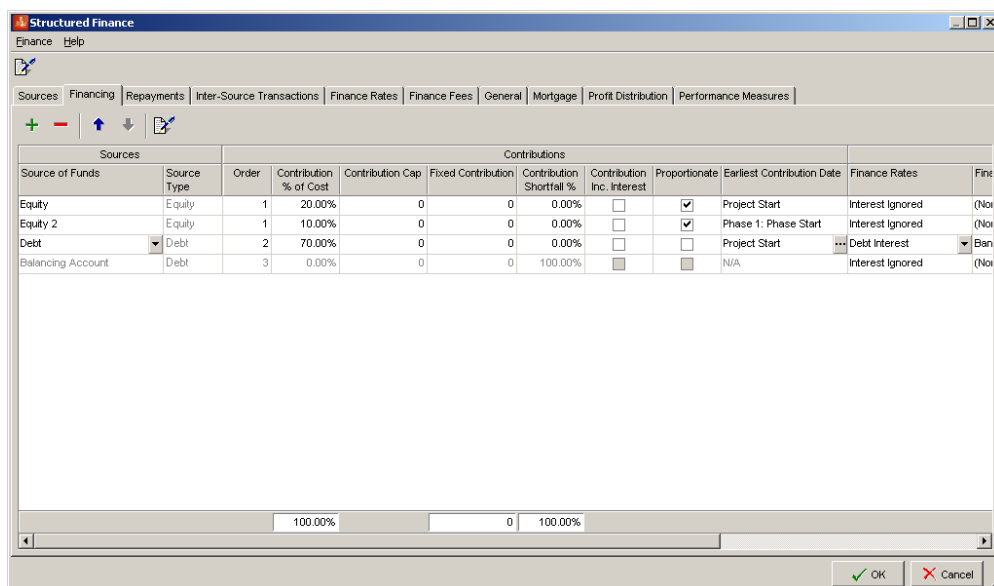


You can now proceed to the next section.

Financing tab

1. Click on the Financing tab to open the Financing page.
By default, there will be several items already in the list ("Equity", "Debt" and "Balancing Account"). These items will have no values defined, but for the purposes of this walkthrough, we will define some values for them.
2. For the "Equity" item, type "20" in the **Contribution % of Cost** column. Check the **Proportionate** check box for this item.

3. To add a new item to the list, click on the **Add Source** button: 
4. In the **Source of Funds** drop-down for this new item, select the “Equity 2” source (this is the financing source you created earlier).
5. In the **Order** field, type in “1”.
6. Type “10” in the **Contribution % of Cost** column. Check the **Proportionate** check box for this item.
7. Click on the **Move Up** or **Move Down** arrows so that the new item is positioned below the “Equity” item.
8. For the “Debt” item, in the **Contribution % of Cost** column, type in “70”.
9. In the **Finance Rates** drop-down, select the “Debt Interest” option.
10. In the **Finance Fees** drop-down, select the “Bank Fees” option (this is the Fee Set you created earlier).



Sources		Contributions									
Source of Funds	Source Type	Order	Contribution % of Cost	Contribution Cap	Fixed Contribution	Contribution Shortfall %	Contribution Inc. Interest	Proportionate	Earliest Contribution Date	Finance Rates	Fine
Equity	Equity	1	20.00%	0	0	0.00%	☐	☒	Project Start	Interest Ignored	(Noi
Equity 2	Equity	1	10.00%	0	0	0.00%	☐	☒	Phase 1: Phase Start	Interest Ignored	(Noi
Debt	Debt	2	70.00%	0	0	0.00%	☐	☐	Project Start	Debt Interest	Ban
Balancing Account	Debt	3	0.00%	0	0	100.00%	☐	☐	N/A	Interest Ignored	(Noi

100.00% 0 100.00%

OK Cancel

You can now proceed to the next section.

Repayments tab

1. Click on the Repayments tab to open the Repayments page.
The finance sources should already be listed here.
The Balancing Account is always repaid first (in order 1). We will assume that the debt is repaid next (order 2) and then finally the two equity partners (in order 3).
2. Check the **Proportionate** check boxes of both the “Equity” and “Equity 2” items - so that they are repaid proportionate to their original contributions.

Sources				Repayments								
Source of Funds	Source Type	Contribution Order	Order	Manually Time Repayments	Repayment Source	Unit Sales Selection	Unlimited Repayment	Proportionate	% of Funds Available	Repay Interest Only	Include Fees	Repay
Equity	Equity	1	3	☐	Available Cash	N/A	☐	☒	0.00%	☐	☐	(None)
Equity 2	Equity	1	3	☐	Available Cash	N/A	☐	☒	0.00%	☐	☐	(None)
Debt	Debt	2	2	☐	Available Cash	N/A	☐	☐	100.00%	☐	☐	(None)
Balancing Account	Debt	3	1	☐	Available Cash	N/A	☐	☐	0.00%	☐	☐	(None)

You can now proceed to the next section.

Profit Distribution tab

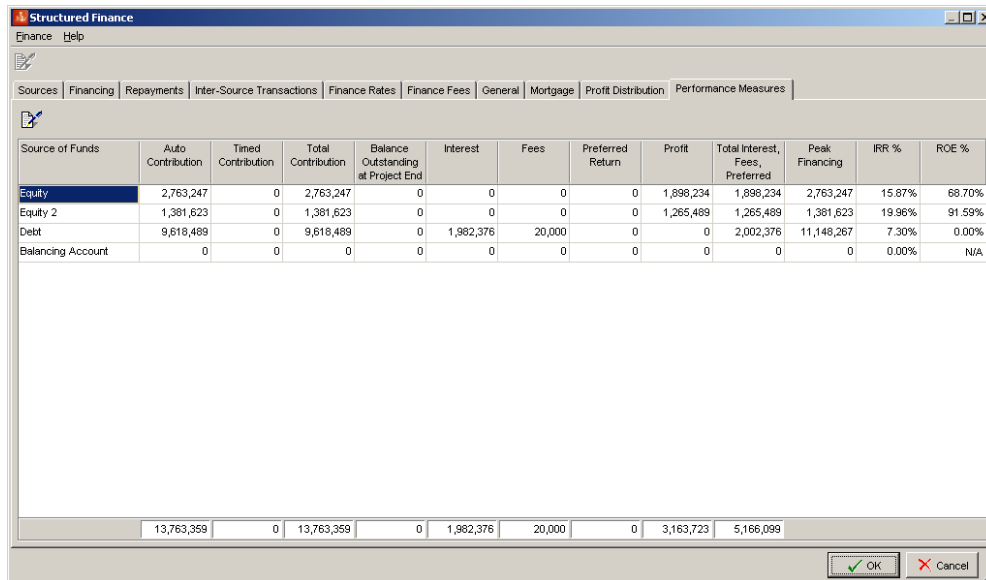
- Click on the Profit Distribution tab to open the Profit Distribution page.
- To add a new item to the list, click on the **Add Source** button: 
- In the **Source of Funds** drop-down, select the “Equity” option.
- In the **Profit Distribution Type** drop-down, select the “Residual Percentage” option.
- In the **Percentage Split** field, type in “60”.
- Use the **Add Source** button to add another item to the list.
- In the **Source of Funds** drop-down, select the “Equity 2” option.
- In the **Profit Distribution Type** drop-down, select the “Residual Percentage” option.
- In the **Percentage Split** field, type in “40”.

Sources				Returns							
Source of Funds	Source Type	Order	Profit Distribution Type	Inc. Pref. Return in IRR Lookback	Fixed Amount	Percentage Split	IRR Lookback%	% Allocation of Funds in Order	Finance Rates	Include Loan Fees	
Equity	Equity	1	Residual Percentage	☐	0	60.00%	0.00%	0.00%	(None)	☐	
Equity 2	Equity	1	Residual Percentage	☐	0	40.00%	0.00%	0.00%	(None)	☐	

You can now proceed to the next section.

Performance Measures tab

1. Click on the Performance Measures tab to open the Performance Measures page.
This is a view-only page, displaying the financial split for the various funding sources you have defined:



The screenshot shows the 'Structured Finance' application window with the 'Performance Measures' tab selected. The table displays the following data:

Source of Funds	Auto Contribution	Timed Contribution	Total Contribution	Balance Outstanding at Project End	Interest	Fees	Preferred Return	Profit	Total Interest, Fees, Preferred	Peak Financing	IRR %	ROE %
Equity	2,763,247	0	2,763,247	0	0	0	0	1,898,234	1,898,234	2,763,247	15.87%	68.70%
Equity 2	1,381,623	0	1,381,623	0	0	0	0	1,265,489	1,265,489	1,381,623	19.96%	91.59%
Debt	9,618,489	0	9,618,489	0	1,982,376	20,000	0	0	2,002,376	11,148,267	7.30%	0.00%
Balancing Account	0	0	0	0	0	0	0	0	0	0	0.00%	N/A
	13,763,359	0	13,763,359	0	1,982,376	20,000	0	3,163,723	5,166,099			

2. Click on the **OK** button to close down the Structured Finance window.

Please proceed to the next chapter, “The Cash Flow Tab” on page 41.

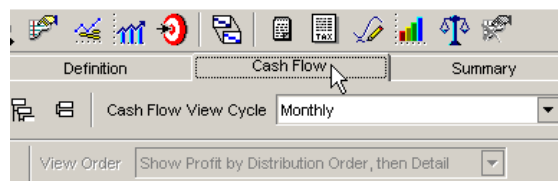
Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

CHAPTER 8

The Cash Flow Tab

This chapter walks you through the tasks you must perform with the Cash Flow tab. The Cash Flow page displays all the financial data in one place, showing the amounts for each time period (monthly, quarterly, half yearly or annually).

To open the Cash Flow page, click on the Cash Flow tab:



All the data you input when you were following the Definition chapter will be displayed in the cash flow, spread out over all the periods in the project:

ARGUS Developer - C:\Documents and Settings\jwillis\Desktop\Use Cases\UK\Step by Step.wcf

File Edit Project Definition Cash Flow Finance Equity DV Cost Codes View Tools Help

Project

Definition

Cash Flow

Summary

Cash Flow View Cycle Monthly

Show Zero Value Rows

View Order

Show Profit by Distribution Order, then Detail

Heading	1 Jan 08	2 Jan 08	3 Feb 08	4 Mar 08	5 Apr 08	6 May 08	7 Jun 08	8 Jul 08	9 Aug 08	10 Sep 08	11 Oct 08	12 Nov 08	13 Dec 08	14 Jan 09
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition Costs														
Residualized Price	(6,550,337)	0	0	0	0	0	0	0	0	0	0	0	0	0
Stamp Duty	(327,517)	0	0	0	0	0	0	0	0	0	0	0	0	0
Agent Fee	(65,503)	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal Fee	(131,007)	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Costs														
Con. - Retail (Ground Floor)	0	0	0	0	(19,457)	(46,003)	(67,815)	(84,293)	(96,036)	(102,845)	(104,720)	(101,681)	(93,688)	
Con. - Offices (First Floor)	0	0	0	0	(26,463)	(62,816)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(136,372)	(127,482)	
Con. - Offices (Second Floor)	0	0	0	0	(26,463)	(62,816)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(136,372)	(127,482)	
Con. - 1 Bed Flats	0	0	0	0	(18,917)	(44,725)	(65,737)	(81,951)	(93,369)	(99,989)	(101,911)	(98,837)	(91,866)	
Con. - 2 Bed Flats	0	0	0	0	(22,870)	(54,309)	(79,623)	(99,512)	(113,376)	(121,415)	(123,636)	(120,017)	(110,586)	
Contingency	0	0	0	0	(5,716)	(13,513)	(19,862)	(24,761)	(28,211)	(30,211)	(30,762)	(29,865)	(27,515)	
Professional Fees														
Architect	0	0	0	0	(6,859)	(16,216)	(23,834)	(29,713)	(33,853)	(36,253)	(36,914)	(35,836)	(33,018)	
Quantity Surveyor	0	0	0	0	(2,286)	(5,405)	(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)	
Structural Engineer	0	0	0	0	(1,143)	(2,703)	(3,972)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)	
Mech. Elec Engineer	0	0	0	0	(2,286)	(5,405)	(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)	
Project Manager	0	0	0	0	(1,143)	(2,703)	(3,972)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)	
C.D. Manager	0	0	0	0	(572)	(1,351)	(1,896)	(2,476)	(2,821)	(3,021)	(3,076)	(2,986)	(2,751)	
Marketing/Letting														
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	
Letting Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	
Letting Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	
Finance Details														
Net period total	(7,074,364)	0	0	0	(134,316)	(317,566)	(466,756)	(581,883)	(662,950)	(709,955)	(722,898)	(701,780)	(646,600)	
Period Total for Interest	0	(7,094,364)	(7,111,453)	(7,128,641)	(7,145,930)	(7,297,635)	(7,633,476)	(8,120,466)	(8,725,423)	(9,414,976)	(10,155,557)	(10,913,400)	(11,654,546)	
Total Interest + Fees (All Loans)	(20,000)	(17,089)	(17,188)	(17,289)	(17,390)	(18,274)	(20,234)	(23,074)	(26,603)	(30,626)	(34,946)	(39,366)	(43,690)	
Period Total For IRR	(7,074,364)	0	0	0	(134,316)	(317,566)	(466,756)	(581,883)	(662,950)	(709,955)	(722,898)	(701,780)	(646,600)	
Cumulative Total CF	(7,094,364)	(7,111,453)	(7,128,641)	(7,145,930)	(7,297,635)	(7,633,476)	(8,120,466)	(8,725,423)	(9,414,976)	(10,155,557)	(10,913,400)	(11,654,546)	(12,344,837)	

Profit

3,163,723

Revenue

18,982,333

IRR

11.3002%

Cost Per Net Ft

482.27

Profit on Cost

20.000%

Costs (All)

15,818,610

Dev. Yield

4.846%

Cost Per Gross Ft

445.59

Land Cost

-6,550,337

Interest Inc Mortgage

-1,962,376

WAT

0

All Phases

Phase 1

All phases included in this group

Phase 1

R2:47 C1:50

Area-Based Value: MRV History

Hidden

ID: 282

The following picture shows the various buttons and controls (outlined in green) that you will use to interact with the cash flow:

Heading	1 Jan 08: Jan 08	2 Feb 08	3 Mar 08	4 Apr 08	May
Sales Agent Fee	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0
Acquisition Costs					
Residualised Price	(6,550,337)	0	0	0	0
Stamp Duty	(327,517)	0	0	0	0
Agent Fee	(65,503)	0	0	0	0
Legal Fee	(131,007)	0	0	0	0

You can use these buttons to change the “look and feel” of the cash flow, and to change the period units used for the display.

Customising the look of the cash flow

In this exercise, we will show how it is possible to change the look of the cash flow, making it possible for you to view the data in different ways.

Finance Cash Flow

To change the view to a finance cash flow, click on the **Finance Cash Flow** button:



This will change the cash flow display to look something like the following:

ARGUS Developer - C:\Documents and Settings\willow\Desktop\UK Step by Step.wcf

FileEditProjectDefinitionCash FlowFinanceEquityJV

Cost CodesViewToolsHelp

PrintExport to ExcelExport to PDF

PrintExport to ExcelExport to PDF

ProjectDefinitionCash FlowSummary

Cash Flow View CycleMonthly

Show Zero Value RowsView OrderShow Profit by Distribution Order, then Detail

Heading	Total	1 Jan 08	2 Feb 08	3 Mar 08	4 Apr 08	5 May 08	6 Jun 08	7 Jul 08	8 Aug 08	9 Sep 08	10 Oct 08	11 Nov 08	12 Dec 08
Finance - Project Cash Flow Pre-Finance IRR: 11.30%													
Revenue: Unit Sales	6,750,000	0	0	0	0	0	0	0	0	0	0	0	0
Revenue: Rental Income	178,500	0	0	0	0	0	0	0	0	0	0	0	0
Revenue: Capitalised Rent	12,790,909	0	0	0	0	0	0	0	0	0	0	0	0
Revenue: Other	(737,076)	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	18,982,333	0	0	0	0	0	0	0	0	0	0	0	0
Cash Outflows (Dev. Costs)	(13,816,234)	(7,074,364)	0	0	0	(134,316)	(317,586)	(486,756)	(581,883)	(662,950)	(709,955)	(722,890)	(701,000)
Net Cash Flow Pre-Finance (IRR)	5,166,099	(7,074,364)	0	0	0	(134,316)	(317,586)	(486,756)	(581,883)	(662,950)	(709,955)	(722,890)	(701,000)
Reserve In	3,216,598	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Out	(3,216,598)	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Available for Distribution	18,982,333	0	0	0	0	0	0	0	0	0	0	0	0
Timed Profit Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0
Auto. Profit for Distribution	3,163,723	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distribution to Order 1	3,163,723	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distribution: Equity Order # 1: Profit Type: Residual Percentage Total Return: £1,898,234													
Timed Profit Participation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit	1,898,234	0	0	0	0	0	0	0	0	0	0	0	0
Profit Distribution: Equity 2 Order # 1: Profit Type: Residual Percentage Total Return: £1,265,489													
Timed Profit Participation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit	1,265,489	0	0	0	0	0	0	0	0	0	0	0	0
Finance: Equity In # 1: 20% Out # 3: Contribution Proportion: 66.67% Repayment Proportion: 66.67%													
Timed Contribution: Project	0	0	0	0	0	0	0	0	0	0	0	0	0
Auto. Project Contribution	(2,763,247)	(2,763,247)	0	0	0	0	0	0	0	0	0	0	0
Total Contribution	(2,763,247)	(2,763,247)	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Timed Repayment: Project	0	0	0	0	0	0	0	0	0	0	0	0	0
Auto. Repayment	2,763,247	0	0	0	0	0	0	0	0	0	0	0	0
Total Repayment	2,763,247	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)
Net Cash Flow (IRR)	0	(2,763,247)	0	0	0	0	0	0	0	0	0	0	0
Cumulative Net Cash Flow	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)	(2,763,247)
Profit													
Revenue	3,163,723												
Profit on Cost	20.000%												
Costs (All)	-15,816,610												
Land Cost	-6,550,337												
Interest Inc Mortgage	-1,982,376												
VAT	0												
Cost Per Net Ft	482.27												
Cost Per Gross Ft	445.59												
All Phases Phase 1													
All phases included in this group													
R1:77 C2:50 Project Cash Flow Pre-Finance IRR: 11.3002%													

Project Cash Flow

To change the view to a project cash flow, click on the **Project Cash Flow** button:



This will change the cash flow display to look something like the following:

ARGUS Developer - C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf V4.05.000

File Edit Project Definition Cash Flow Finance Equity/31 Cost Codes View Tools Help

Project Definition Cash Flow Summary

Cash Flow View Cycle Monthly

Show Zero Value Rows View Order Show Profit by Distribution Order, then Detail

Heading	1 Jan 08	2 Feb 08	3 Mar 08	4 Apr 08	5 May 08	6 Jun 08	7 Jul 08	8 Aug 08	9 Sep 08	10 Oct 08	11 Nov 08	12 Dec 08	13 Jan 09
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition Costs													
Residualised Price	(6,550,337)	0	0	0	0	0	0	0	0	0	0	0	0
Stamp Duty	(327,517)	0	0	0	0	0	0	0	0	0	0	0	0
Agent Fee	(65,503)	0	0	0	0	0	0	0	0	0	0	0	0
Legal Fee	(131,007)	0	0	0	0	0	0	0	0	0	0	0	0
Construction Costs													
Con. - Retail (Ground Floor)	0	0	0	0	(19,457)	(46,003)	(67,615)	(94,293)	(96,036)	(102,845)	(104,720)	(101,661)	(93,668)
Con. - Offices (First Floor)	0	0	0	0	(26,483)	(62,616)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(138,372)	(127,492)
Con. - Offices (Second Floor)	0	0	0	0	(26,483)	(62,616)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(138,372)	(127,492)
Con. - 1 Bed Flats	0	0	0	0	(18,917)	(44,725)	(65,737)	(81,951)	(93,369)	(99,989)	(101,811)	(98,837)	(91,066)
Con. - 2 Bed Flats	0	0	0	0	(22,970)	(54,309)	(79,823)	(99,512)	(113,376)	(121,415)	(123,628)	(120,017)	(110,580)
Contingency	0	0	0	0	(5,716)	(13,513)	(19,862)	(24,761)	(28,211)	(30,211)	(30,762)	(29,863)	(27,515)
Professional Fees													
Architect	0	0	0	0	(6,859)	(16,216)	(23,834)	(28,713)	(33,853)	(36,253)	(36,914)	(35,836)	(33,016)
Quantity Surveyor	0	0	0	0	(2,286)	(5,405)	(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)
Structural Engineer	0	0	0	0	(1,143)	(2,703)	(3,972)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)
Mech/Elec Engineer	0	0	0	0	(2,286)	(5,405)	(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)
Project Manager	0	0	0	0	(1,143)	(2,703)	(3,972)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)
C.D. Manager	0	0	0	0	(572)	(1,351)	(1,896)	(2,476)	(2,821)	(3,021)	(3,076)	(2,986)	(2,751)
Marketing/Letting													
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0
Letting Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Letting Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance Details													
Net period total	(7,074,364)	0	0	0	(134,316)	(317,566)	(466,756)	(581,883)	(662,950)	(709,955)	(722,890)	(701,790)	(646,600)
Period Total for Interest	0	(7,094,364)	(7,111,453)	(7,128,641)	(7,145,930)	(7,297,635)	(7,633,476)	(8,120,466)	(8,725,423)	(9,414,976)	(10,155,557)	(10,913,400)	(11,654,546)
Total Interest + Fees (All Loans)	(20,000)	(17,089)	(17,188)	(17,289)	(17,390)	(18,274)	(20,234)	(23,074)	(26,603)	(30,626)	(34,946)	(39,366)	(43,690)
Period Total For IRR	(7,074,364)	0	0	0	(134,316)	(317,566)	(466,756)	(581,883)	(662,950)	(709,955)	(722,890)	(701,790)	(646,600)
Cumulative Total CF	(7,094,364)	(7,111,453)	(7,128,641)	(7,145,930)	(7,297,635)	(7,633,476)	(8,120,466)	(8,725,423)	(9,414,976)	(10,155,557)	(10,913,400)	(11,654,546)	(12,344,837)

Profit 3,163,723 Revenue 18,962,333 IRR 11.3002% Cost Per Net ft² 482.27
 Profit on Cost 20.0000% Costs (All) -15,818,610 Dev. Yield 4.646% Cost Per Gross ft² 445.59
 Land Cost -6,550,337 Interest Inc Mortgage -1,962,376 VAT 0

All Phases Phase 1
 All phases included in this group Phase 1 R2:47 C2:50 Area-Based Value: MRV History Hidden ID: 282

Setting options

To further configure the “look and feel” of the cash flow, you can also change some options.

- To do this, click on the **Cash Flow Options** button:



This will open the Options window at the Cash Flow page:

Options

Options Help

General Cash Flow Summary Save

Display Options

☐ Show Row Properties ☒ Show MRV History Rows

☒ Show Brief Finance Details ☒ Show MRV Rows

☐ Show Row Total column ☐ Show Zero Value Rows

☐ Show EV column ☐ Show Unit Information Rows

☒ Show Timeline ☐ Show Summaries

☐ Show Period Zero ☐ Show Summaries in Bold

Formatting Options

Heading Column Width (Pixels): 208 ☒ Use 1000's Separator (,)

Total Column Width (Pixels): 81 Negative Number Format: (12345)

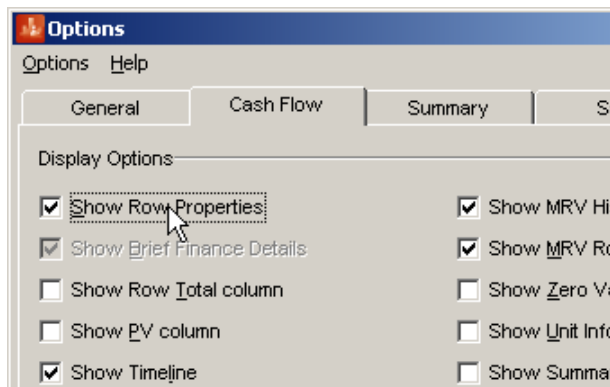
Data Column Width (Pixels): 78

Editing Options

Placement of value when editing non-monthly Cash Flow Start of Cycle

☒ Remove linked area records after deletion

- Here, we will switch on the Row Properties feature to show you what it looks like. Check the **Show Row Properties** check box:



- Click on **OK**.
- This will change your cash flow display to show some thin columns (outlined in green below):

The screenshot shows the 'Cash Flow View Cycle' window. The 'View Order' dropdown is set to 'Show Profit by Distribution Order, then Detail'. The table displays various categories and their corresponding values over time. The columns for 'Category', 'Tagged', 'Hidden', 'Locked', 'Phase', 'Related', 'Sign', 'Interest', 'Initiation', 'VAT', and 'Notes' are outlined in green.

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Interest	Initiation	VAT	Notes	Jan 08: Jan 08	Feb 2008	Mar 2008	Apr 2008	May 2008
Sales Legal Fee	10	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	0
Acquisition Costs																
Residualised Price	12	x	x	x	1	✓	--	✓	x	x	x	(6,550,337)	0	0	0	0
Stamp Duty	14	x	x	x	1	✓	--	✓	x	x	x	(327,517)	0	0	0	0
Agent Fee	16	x	x	x	1	✓	--	✓	x	x	x	(65,503)	0	0	0	0
Legal Fee	17	x	x	x	1	✓	--	✓	x	x	x	(131,007)	0	0	0	0
Construction Costs																
Con. - Retail (Ground Floor)	24	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(19,457)
Con. - Offices (First Floor)	24	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(26,483)
Con. - Offices (Second Floor)	24	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(26,483)
Con. - 1 Bed Flats	24	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(18,917)
Con. - 2 Bed Flats	24	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(22,970)
Contingency	25	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(5,716)
Professional Fees																
Architect	32	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(6,859)
Quantity Surveyor	33	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(2,286)
Structural Engineer	34	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(1,143)
Mech./Elec Engineer	35	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(2,286)
Project Manager	36	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(1,143)
C.D. Manager	37	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	(572)
Marketing/Letting																
Marketing	40	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	0
Letting Agent Fee	41	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	0
Letting Legal Fee	42	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	0

These columns show you various types of status and settings for each row. Please refer to your main user guide for further details of these columns.

To show the Timeline feature, click on the **Show Timeline** check box. This will display the timeline in the Cash Flow (outlined in green below):

The screenshot shows the 'Cash Flow View Cycle' window with the 'Show Timeline' checkbox checked. The timeline is displayed at the bottom of the table, showing the progression from Pre-Construction to Construction. The columns for 'Hidden', 'Locked', 'Phase', 'Related', 'Sign', 'Interest', 'Initiation', 'VAT', and 'Notes' are outlined in green.

Hidden	Locked	Phase	Related	Sign	Interest	Initiation	VAT	Notes	Jan 08: Jan 08	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008
x	x	1	✓	--	✓	x	x	x	0	0	0	0	0	0	0	0	0
x	x	1	✓	--	✓	x	x	x	(6,550,337)	0	0	0	0	0	0	0	0
x	x	1	✓	--	✓	x	x	x	(327,517)	0	0	0	0	0	0	0	0

Data Distribution

Occasionally, you may wish to change the distribution of a cost item you have entered, so that the amount is in a different period, or spread out over a different number of months.

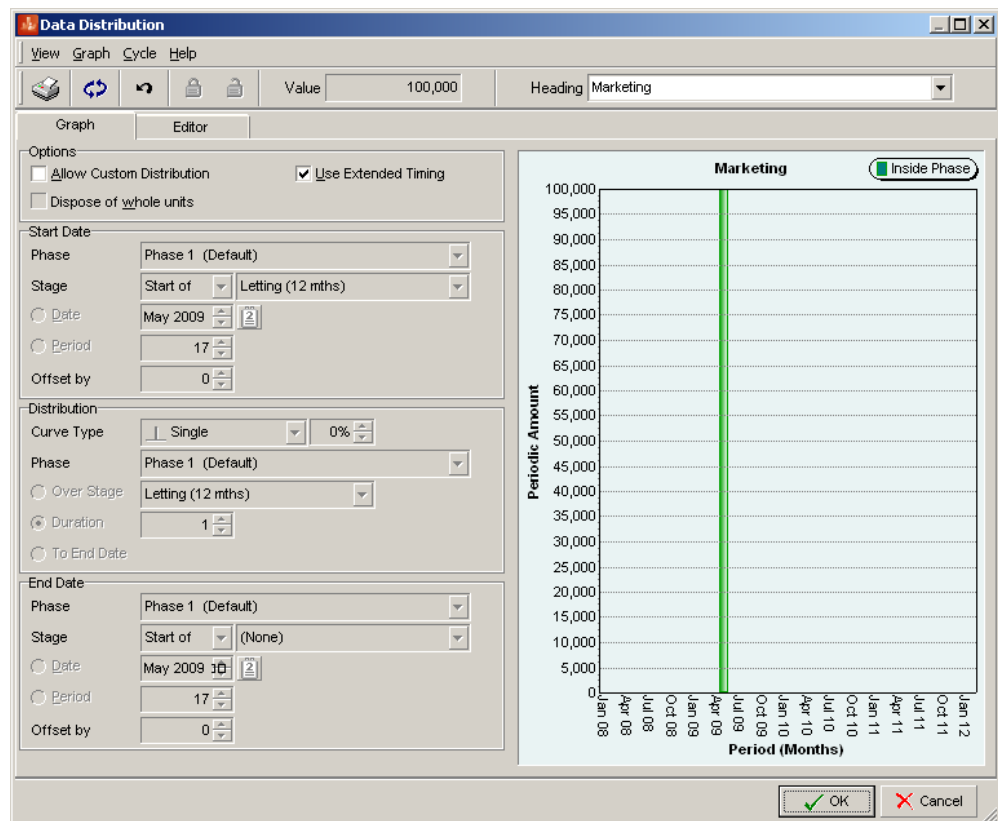
In this walkthrough, we will show you how to redistribute the amount you entered earlier for Marketing.

1. In the Cash Flow, find the amount for Marketing (this is 100,000 and is in month 17 - outlined in green below):

ARG

Professional Fees																
Architect	32	x	x	x	1	✓	--	✓	x	x	x	(28,461)	(22,165)	(14,129)	0	0
Quantity Surveyor	33	x	x	x	1	✓	--	✓	x	x	x	(9,487)	(7,388)	(4,710)	0	0
Structural Engineer	34	x	x	x	1	✓	--	✓	x	x	x	(4,743)	(3,694)	(2,355)	0	0
Mech./Elec Engineer	35	x	x	x	1	✓	--	✓	x	x	x	(9,487)	(7,388)	(4,710)	0	0
Project Manager	36	x	x	x	1	✓	--	✓	x	x	x	(4,743)	(3,694)	(2,355)	0	0
C.D. Manager	37	x	x	x	1	✓	--	✓	x	x	x	(2,372)	(1,847)	(1,177)	0	0
Marketing/Letting																
Marketing	40	x	x	x	1	x	--	✓	x	x	x	0	0	0	(100,000)	0
Letting Agent Fee	41	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	0
Letting Legal Fee	42	x	x	x	1	✓	--	✓	x	x	x	0	0	0	0	0
Finance Details																
Net period total												(557,359)	(434,057)	(276,693)	(100,000)	0
Period Total for Interest												(12,344,837)	(12,949,912)	(13,435,215)	(13,765,985)	(13,921,991)
Total Interest + Fees (All Loans)												(47,716)	(51,246)	(54,077)	(56,007)	(56,917)
Period Total For IRR												(557,359)	(434,057)	(276,693)	(100,000)	0
Cumulative Total C/F												(12,949,912)	(13,435,215)	(13,765,985)	(13,921,991)	(13,978,908)

2. Right-click on this amount and select the **Data Distribution** menu option. This opens the Data Distribution window:

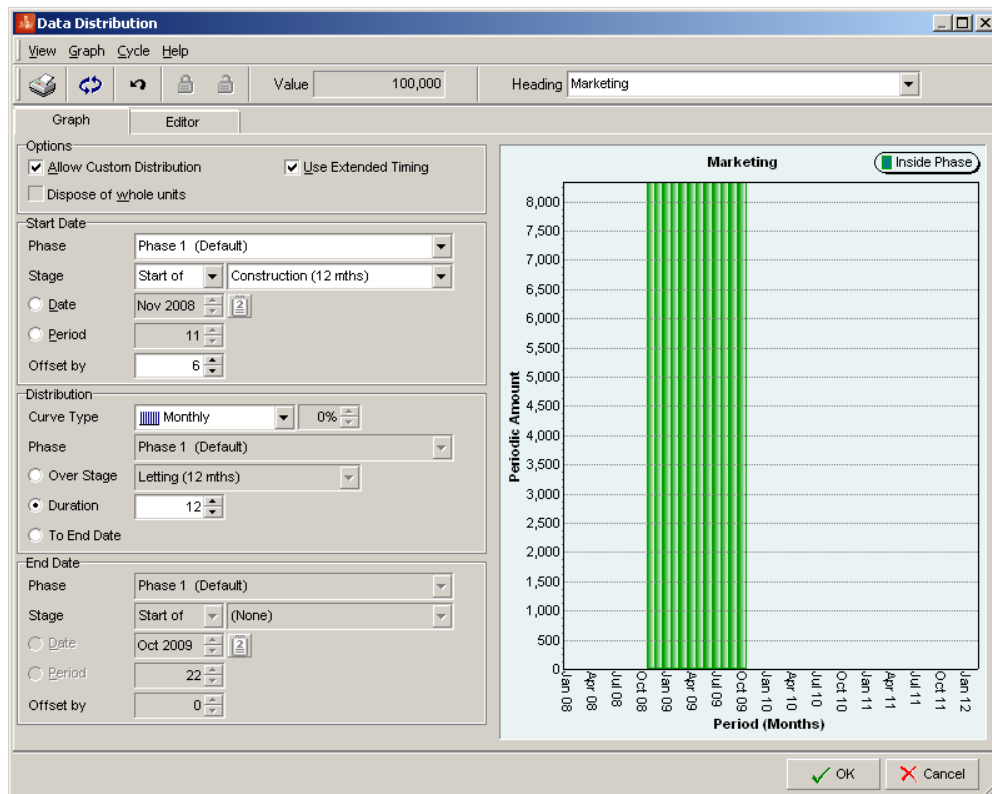


This shows the current distribution as a single amount of 100,000 in month 17.

3. To allow changes to be made, check the **Allow Custom Distribution** check box.
4. To link the start period to the Construction stage, use the “Construction (12 mths)” option in the **Stage** drop-down (in the **Start Date** section).

- To offset the start so the redistributed amounts fall within the phase, use the **Offset by** control in the **Start Date** section to specify an offset of 6 months.
- To redistribute the amount, spreading it over 12 months, use the **Duration** control in the **Distribution** section to specify a value of "12".

Your Data Distribution window should look like this:



There are many other settings that you could use in this window (we have just covered two features); please refer to the main user guide for further information.

- Click **OK** to accept your settings. Your cash flow should change to show the Marketing amount redistributed over 12 months:

Heading	Category	Tagged	Hidden	Locked	Phase	Related	Sign	Interest	Inflation	VAT	Notes	11 Nov 2008	12 Dec 2008	13 Jan 2009	14 Feb 2009	15 Mar 2009	16 Apr 2009	17 May 2009	18 Jun 2009	19 Jul 2009
Sales Legal Fee	10	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Acquisition Costs																				
Residualised Price	12	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Stamp Duty	14	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Agent Fee	16	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Legal Fee	17	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Construction Costs																				
Con. - Retail (Ground Floor)	24	x	x	x	1	✓	✓	✓	✓	✓	✓	(104,720)	(101,661)	(93,668)	(80,740)	(62,878)	(40,082)	0	0	0
Con. - Offices (First Floor)	24	x	x	x	1	✓	✓	✓	✓	✓	✓	(142,536)	(136,372)	(127,492)	(109,896)	(85,584)	(54,556)	0	0	0
Con. - Offices (Second Floor)	24	x	x	x	1	✓	✓	✓	✓	✓	✓	(142,536)	(136,372)	(127,492)	(109,896)	(85,584)	(54,556)	0	0	0
Con. - 1 Bed Flats	24	x	x	x	1	✓	✓	✓	✓	✓	✓	(101,811)	(98,837)	(91,066)	(78,497)	(61,132)	(38,869)	0	0	0
Con. - 2 Bed Flats	24	x	x	x	1	✓	✓	✓	✓	✓	✓	(123,628)	(120,017)	(110,580)	(95,318)	(74,231)	(47,319)	0	0	0
Contingency	25	x	x	x	1	✓	✓	✓	✓	✓	✓	(30,762)	(29,863)	(27,515)	(23,717)	(18,470)	(11,774)	0	0	0
Professional Fees																				
Architect	32	x	x	x	1	✓	✓	✓	✓	✓	✓	(36,914)	(35,836)	(33,018)	(28,481)	(22,165)	(14,129)	0	0	0
Quantity Surveyor	33	x	x	x	1	✓	✓	✓	✓	✓	✓	(12,305)	(11,945)	(11,008)	(9,487)	(7,388)	(4,710)	0	0	0
Structural Engineer	34	x	x	x	1	✓	✓	✓	✓	✓	✓	(8,152)	(5,973)	(5,503)	(4,743)	(3,694)	(2,355)	0	0	0
Mech./Elec Engineer	35	x	x	x	1	✓	✓	✓	✓	✓	✓	(12,305)	(11,945)	(11,008)	(9,487)	(7,388)	(4,710)	0	0	0
Project Manager	36	x	x	x	1	✓	✓	✓	✓	✓	✓	(8,152)	(5,973)	(5,503)	(4,743)	(3,694)	(2,355)	0	0	0
C.D. Manager	37	x	x	x	1	✓	✓	✓	✓	✓	✓	(3,076)	(2,986)	(2,751)	(2,372)	(1,847)	(1,177)	0	0	0
Marketing/Letting																				
Marketing	40	x	x	x	1	✓	✓	✓	✓	✓	✓	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)
Letting Agent Fee	41	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Letting Legal Fee	42	x	x	x	1	✓	✓	✓	✓	✓	✓	0	0	0	0	0	0	0	0	0
Finance Details																				
Net period total												(731,231)	(710,113)	(654,934)	(565,693)	(442,390)	(285,026)	(8,333)	(8,333)	(8,333)
Period Total for Interest												(10,555,243)	(10,921,418)	(11,670,945)	(12,369,665)	(12,983,219)	(13,477,050)	(13,816,398)	(13,881,032)	(13,946,044)
Total Interest + Fees (All Loans)												(34,944)	(39,414)	(43,786)	(47,862)	(51,441)	(54,322)	(56,301)	(56,678)	(57,057)
Period Total For IRR												(731,231)	(710,113)	(654,934)	(565,693)	(442,390)	(285,026)	(8,333)	(8,333)	(8,333)
Cumulative Total CF												(10,821,418)	(11,670,945)	(12,369,665)	(12,983,219)	(13,477,050)	(13,816,398)	(13,881,032)	(13,946,044)	(14,011,434)

Exporting the Cash Flow to Excel

One of the most useful features of the Cash Flow is the ability to export the contents of the Cash Flow to an Excel worksheet.

1. Click on the **Export Cash Flow to Excel** button:



Your Cash Flow data will be displayed in an Excel worksheet, automatically opening Excel:

Heading	Category	Total	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08	Aug 08
Revenue										
History - Retail (Ground Floor)	78		0	0	0	0	0	0	0	0
History - Offices (First Floor)	78		0	0	0	0	0	0	0	0
History - Offices (Second Floor)	78		0	0	0	0	0	0	0	0
NRV - Retail (Ground Floor)	3	378,000	0	0	0	0	0	0	0	0
NRV - Offices (First Floor)	3	178,500	0	0	0	0	0	0	0	0
NRV - Offices (Second Floor)	3	178,500	0	0	0	0	0	0	0	0
R Flow - Offices (First Floor)	7	88,250	0	0	0	0	0	0	0	0
R Flow - Offices (Second Floor)	7	88,250	0	0	0	0	0	0	0	0
Cap - Retail (Ground Floor)	4	6,300,000	0	0	0	0	0	0	0	0
Cap - Offices (First Floor)	4	3,245,455	0	0	0	0	0	0	0	0
Cap - Offices (Second Floor)	4	3,245,455	0	0	0	0	0	0	0	0
Sale - 1 Bed Flats	2	2,750,000	0	0	0	0	0	0	0	0
Sale - 2 Bed Flats	2	4,000,000	0	0	0	0	0	0	0	0
Disposal Costs										
Purchaser's Costs	8	-737,076	0	0	0	0	0	0	0	0
Sales Agent Fee	9	-188,038	0	0	0	0	0	0	0	0
Sales Legal Fee	10	-94,019	0	0	0	0	0	0	0	0
Acquisition Costs										
Residualised Price	12	-6,550,057	-6,550,057	0	0	0	0	0	0	0
Stamp Duty	14	-327,503	-327,503	0	0	0	0	0	0	0
Agent Fee	16	-65,501	-65,501	0	0	0	0	0	0	0
Legal Fee	17	-131,001	-131,001	0	0	0	0	0	0	0
Construction Costs										
Con. - Retail (Ground Floor)	24	-900,000	0	0	0	-19,457	-46,003	-67,615	-84,283	
Con. - Offices (First Floor)	24	-1,225,000	0	0	0	-26,483	-62,616	-92,032	-114,732	
Con. - Offices (Second Floor)	24	-1,225,000	0	0	0	-26,483	-62,616	-92,032	-114,732	
Con. - 1 Bed Flats	24	-875,000	0	0	0	-18,917	-44,725	-65,737	-81,951	
Con. - 2 Bed Flats	24	-1,062,500	0	0	0	-22,970	-54,309	-79,823	-99,512	
Contingency	25	-264,375	0	0	0	-5,716	-13,513	-19,862	-24,761	
Professional Fees										
Architect	32	-317,250	0	0	0	-6,859	-16,216	-23,834	-29,713	
Quantity Surveyor	33	-105,750	0	0	0	-2,286	-5,405	-7,945	-9,904	
Structural Engineer	34	-52,875	0	0	0	-1,143	-2,703	-3,972	-4,952	
Mech./Elec.Engineer	35	-105,750	0	0	0	-2,286	-5,405	-7,945	-9,904	
Project Manager	36	-52,875	0	0	0	-1,143	-2,703	-3,972	-4,952	
C.D. Manager	37	-26,438	0	0	0	-572	-1,351	-1,986	-2,476	
Marketing/Letting										
Marketing	40	-100,000	0	0	0	0	0	0	0	0
Letting Agent Fee	41	-110,250	0	0	0	0	0	0	0	0
Letting Legal Fee	42	-36,750	0	0	0	0	0	0	0	0
Finance Details										
Net period total		5,166,401	-7,074,062	0	0	0	-134,316	-317,566	-468,756	-581,883
Period Total for Interest		0	-7,094,062	-7,111,149	-7,128,336	-7,145,624	-7,267,328	-7,633,167	-8,120,153	
Total Interest + Fees (All Loans)		-2,002,678	-20,000	-17,087	-17,187	-17,287	-17,388	-18,273	-20,232	-23,073

If you wish, you can save this worksheet and can continue working with the data in Excel.

2. Close down Excel and proceed to the next chapter.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

CHAPTER 9

Summary Tab

The Summary report allows you to view the progress of your project and its final, calculated figures.

Viewing the Summary

To view the summary, click on the Summary tab:



This displays the Summary page:

ARGUS Developer - C:\Documents and Settings\dwillie\Desktop\Use Cases\UK\Step by Step.wcf V4.05.000

File Edit Project Definition Cash Flow Finance Equity/IV Cost Codes View Tools Help

Project Definition Cash Flow Summary

Summary Appraisal for Phase 1

REVENUE					
Sales Valuation	ft ²	Rate ft ²	Gross Sales		
1 Bed Flats	7,000	£392.86	2,750,000		
2 Bed Flats	8,500	£470.59	4,000,000		
Totals	15,500		6,750,000		
Rental Area Summary	ft ²	Rate ft ²	Gross MRV		
Retail (Ground Floor)	5,400	£70.00	378,000		
Offices (First Floor)	5,950	£30.00	178,500		
Offices (Second Floor)	6,950	£30.00	178,500		
Totals	17,300		735,000		
Investment Valuation					
Retail (Ground Floor)					
Current Rent	378,000	YP @	6.0000%	16.6667	6,300,000
Offices (First Floor)	178,500	YP @	5.5000%	18.1818	3,245,455
Offices (Second Floor)	178,500	YP @	5.5000%	18.1818	3,245,455
Current Rent					12,790,909
GROSS DEVELOPMENT VALUE					19,540,909
Purchaser's Costs		5.76%	(737,076)		
NET DEVELOPMENT VALUE					18,803,833
Income from Tenants					
Offices (First Floor)			89,250		
Offices (Second Floor)			89,250		
NET REALISATION					178,500
OUTLAY					
ACQUISITION COSTS					
Residualised Price			6,550,057		
Stamp Duty		5.00%	327,503		
Agent Fee		1.00%	65,501		
Legal Fee		2.00%	131,001		
					7,074,062
CONSTRUCTION COSTS					
Construction	ft ²	Rate ft ²	Cost		
Retail (Ground Floor)	6,000	£150.00	900,000		
Offices (First Floor)	7,000	£175.00	1,225,000		
Offices (Second Floor)	7,000	£175.00	1,225,000		
1 Bed Flats	7,000	£125.00	875,000		

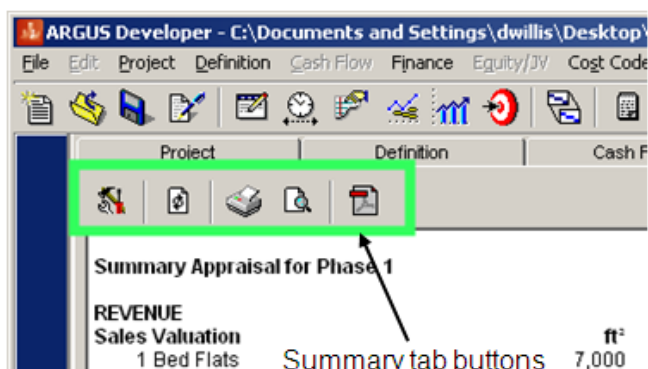
ARGUS Zone

Profit	3,163,723	Revenue	18,982,333	IRR	11.2999%	Cost Per Net ft ²	482.27
Profit on Cost	20.0000%	Costs (All)	-15,818,610	Dev. Yield	4.8465%	Cost Per Gross ft ²	445.59
Land Cost	-8,550,057	Interest Inc Mortgage	-1,982,670	VAT			

All Phases Phase 1

All phases included in this group Summary Appraisal for Phase 1

At the top of the Summary page are some buttons, which you can use to perform various tasks:



You can use these buttons to configure, print out, refresh or export the Summary report.

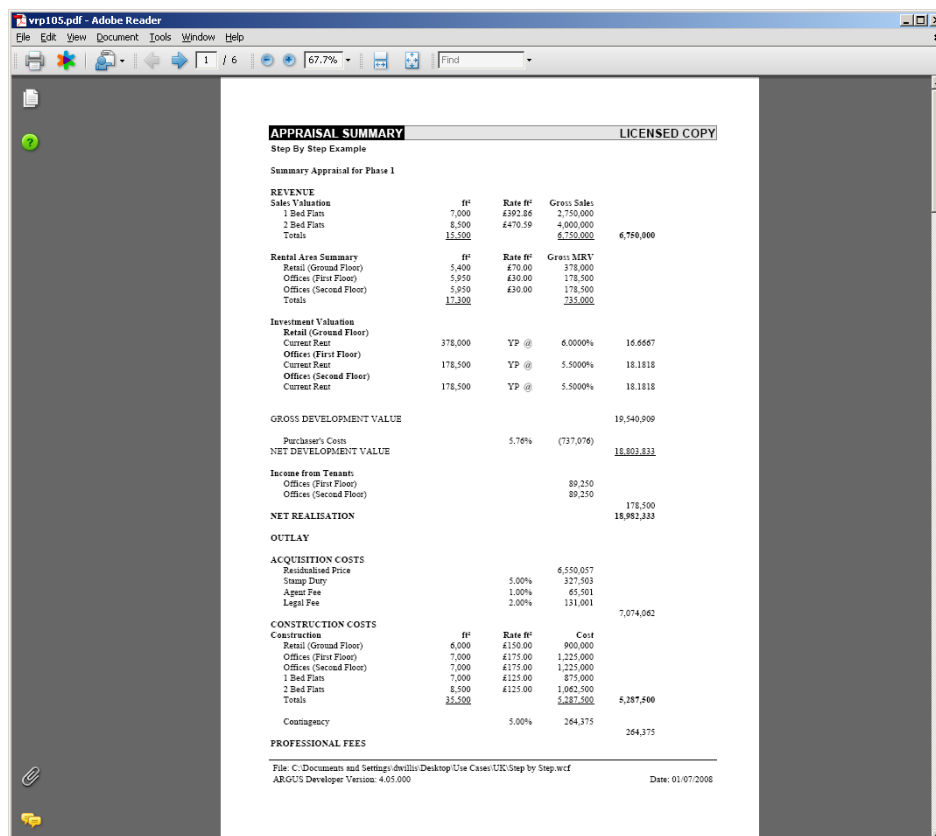
For this walkthrough, we will just show you how to use these buttons to export and print the Summary.

Exporting the summary

The **Export Summary Report to PDF** button  allows you to create a PDF (Adobe Acrobat) file containing the Summary report information.

Note: Before you perform this operation, make sure you have an up-to-date version of the Adobe Acrobat reader program installed on your PC.

1. Click on this button, and the PDF will be created and displayed in the Acrobat reader window:



2. Save a copy of the PDF to your hard disk, and close down the Acrobat reader window.

Printing the summary

To print out the summary report, you can choose either of two methods:

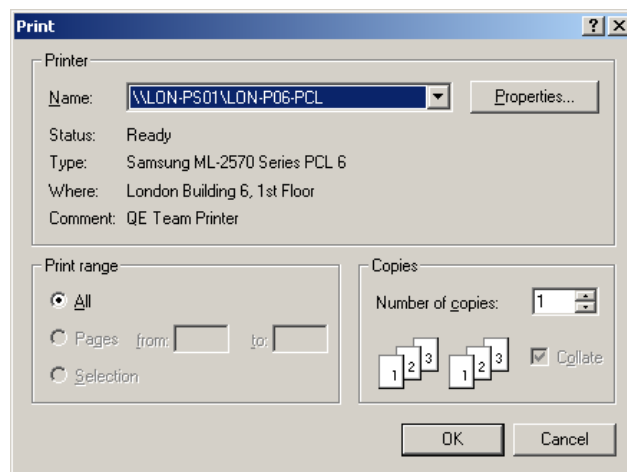
- From within the Summary;
- Using the Report Printer (see “Printing Reports” on page 53).

The simplest and most accessible method of printing the summary report is to use the buttons that are provided in the Summary page.

1. To do this, just click on the **Print Summary Report** button:



This will open a standard Print dialog, which you can use to set up your print job:



2. Click **OK** to print out the Summary report.

Go to the next chapter “Printing Reports” on page 53 for further information on printing reports.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

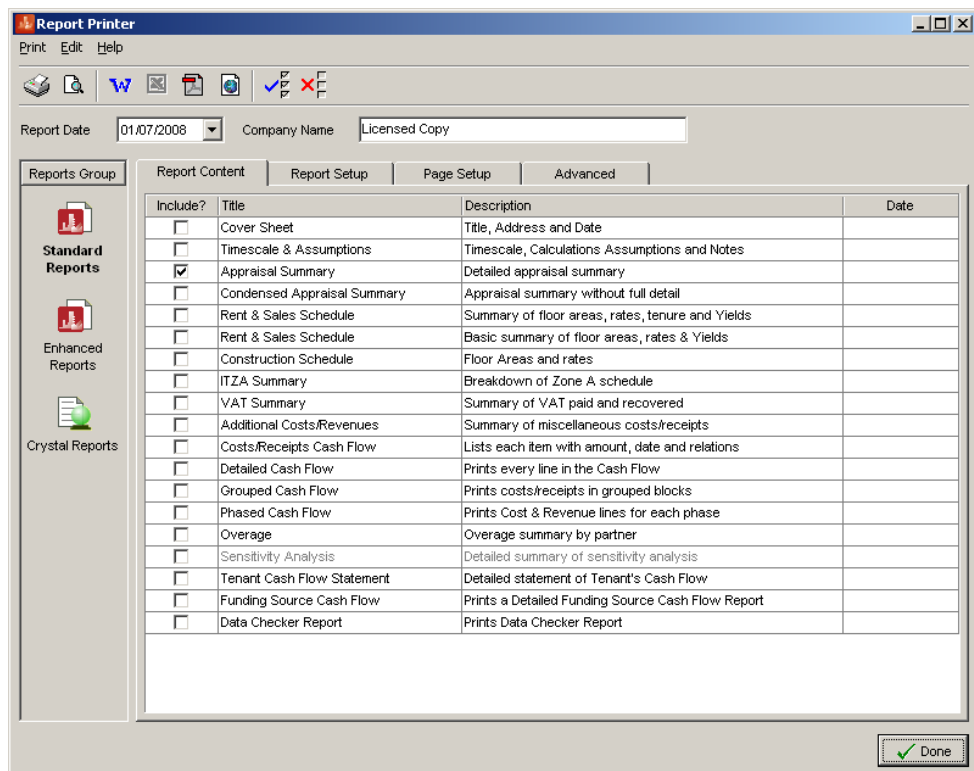
CHAPTER 10

Printing Reports

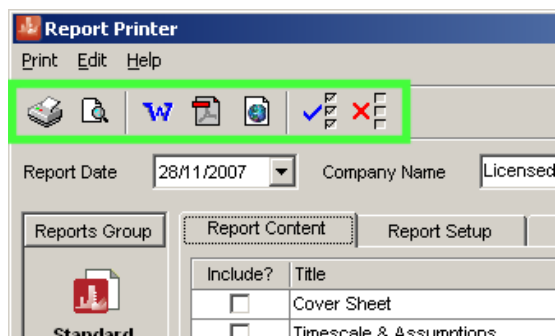
After you have entered all your data and settings, you may wish to print out some reports. To do this, you will need to use the Report Printer feature.

Using the report printer

Use the **File | Reports...** menu option to open the Report Printer window:

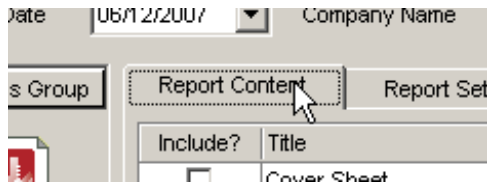


In this window, there are several buttons (shown outlined in green in the following picture) that you can use for printing, previewing or exporting the reports you choose:



We will cover the use of some of these buttons in this chapter.

Click on the Report Content tab:



Selecting reports

You have the choice of checking any of the check boxes to print any of the ready-made reports listed here.

For now, we will just print out the **Appraisal Summary** and the **Grouped Cash Flow** reports, plus a cover page.

Check the **Appraisal Summary**, **Grouped Cash Flow** and **Cover Sheet** check boxes.

Previewing the reports

1. To look at a preview of the reports, click on the **Preview Report** button:  This opens a preview window:

APPRAISAL SUMMARY				LICENSED COPY	
Step By Step Example					
Summary Appraisal for Phase 1					
REVENUE					
Sales Valuation	ft²	Rate ft²	Gross Sales		
1 Bed Flats	7,000	£392.86	2,730,000		
2 Bed Flats	8,500	£470.59	4,000,000		
Totals	15,500		6,730,000		6,750,000
Rental Area Summary					
Retail (Ground Floor)	5,400	£70.00	378,000		
Offices (First Floor)	5,950	£30.00	178,500		
Offices (Second Floor)	5,950	£30.00	178,500		
Totals	17,300		735,000		
Investment Valuation					
Retail (Ground Floor)					
Current Rent	378,000	YP @	6.0000%	16.6667	6,300,000
Offices (First Floor)					
Current Rent	178,500	YP @	5.5000%	18.1818	3,245,455
Offices (Second Floor)					
Current Rent	178,500	YP @	5.5000%	18.1818	3,245,455
					12,790,909
GROSS DEVELOPMENT VALUE					19,540,909
Purchaser's Costs		5.76%	(737,076)		
NET DEVELOPMENT VALUE					18,803,833
Income from Tenants					
Offices (First Floor)			89,250		
Offices (Second Floor)			89,250		
				178,500	
NET REALISATION					18,982,333

You can, if you choose, print out these reports from within the preview window by clicking on the **Print** button. For now, however, we will not do this.

2. Click on the **Close** button to close down the preview window.

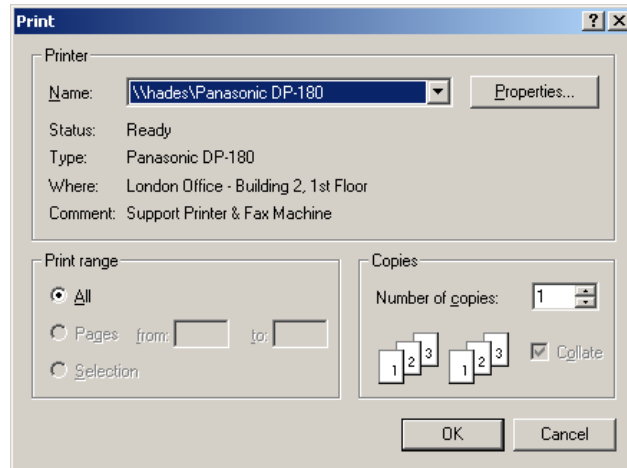
You will be returned back to the Report Printer window.

Printing reports



1. Click on the **Print Report** button:

This opens a standard Print dialog, with which you can specify the settings of your print job:



2. Click **OK** to print out the reports.

Exporting the reports

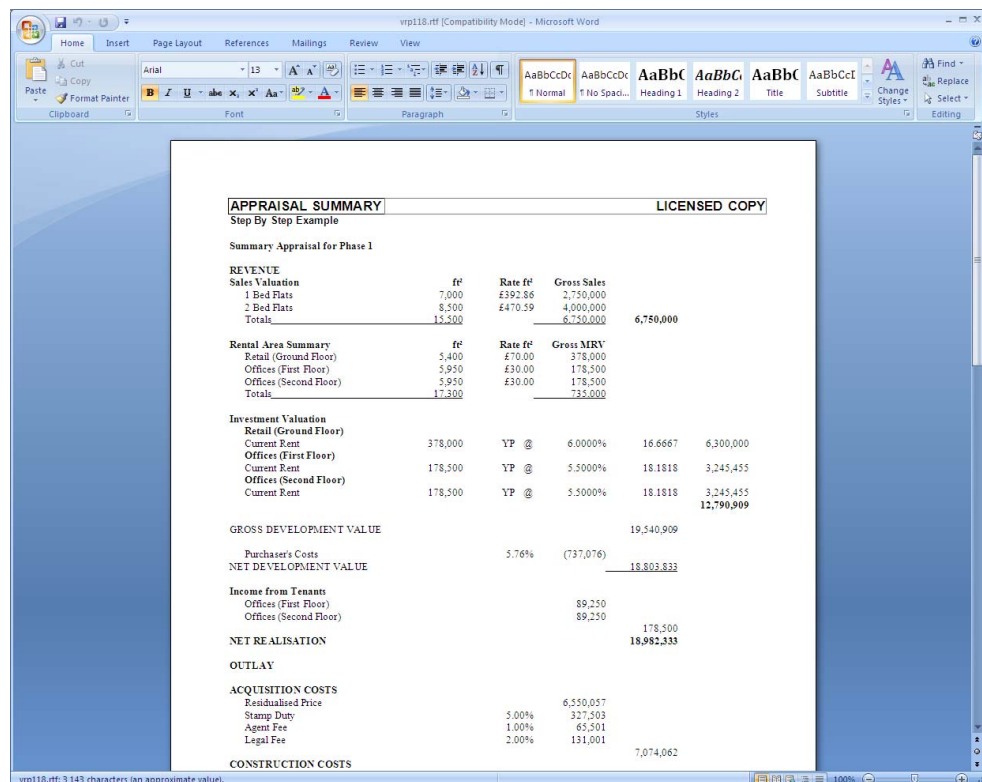
The buttons at the top of the window allow you to export the reports in several different formats.

For this walkthrough, we will just show you how to export to a Microsoft Word document.



1. Click on the **Export to Wordprocessor** button:

This will create your reports in your wordprocessor window:



2. Save the document under the name "Step by Step.doc" and close down the wordprocessor.

Click **Done** to close down the Report Printer window.

Note: Please see “Appendix” on page 75 for a full listing of the appraisal summary report, so you can check your work.

You can proceed to the next chapter, “Sensitivity Analysis” on page 57.

CHAPTER 11

Sensitivity Analysis

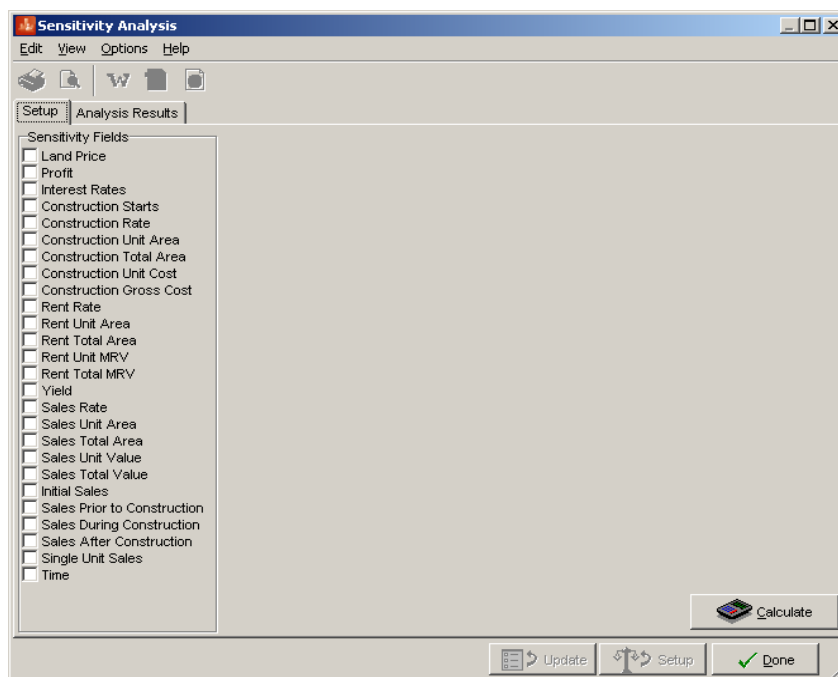
In this section, we will walk you through the basic use of the Sensitivity Analysis feature, where you can create “what if” scenarios that will allow you to fine-tune your data.

To open the Sensitivity Analysis window, click on the **Sensitivity Analysis** button:



Alternatively, you can use the **Tools | Sensitivity Analysis...** menu option.

This opens the Sensitivity Analysis window:



Three-way sensitivity

In our simple example, you will specify three fields upon which the analysis will be based (this is called “three-way sensitivity”).

Field 1 - Construction Rate

1. Check the **Construction Rate** check box. This will display a list of items that you can include in the sensitivity analysis.

Check all the **Include?** check boxes. You can use the **Include All** button to do this:



2. In the **Step Type** drop-down, select the “% of original” option.
3. In the **Step Amount** field, type in “5”.

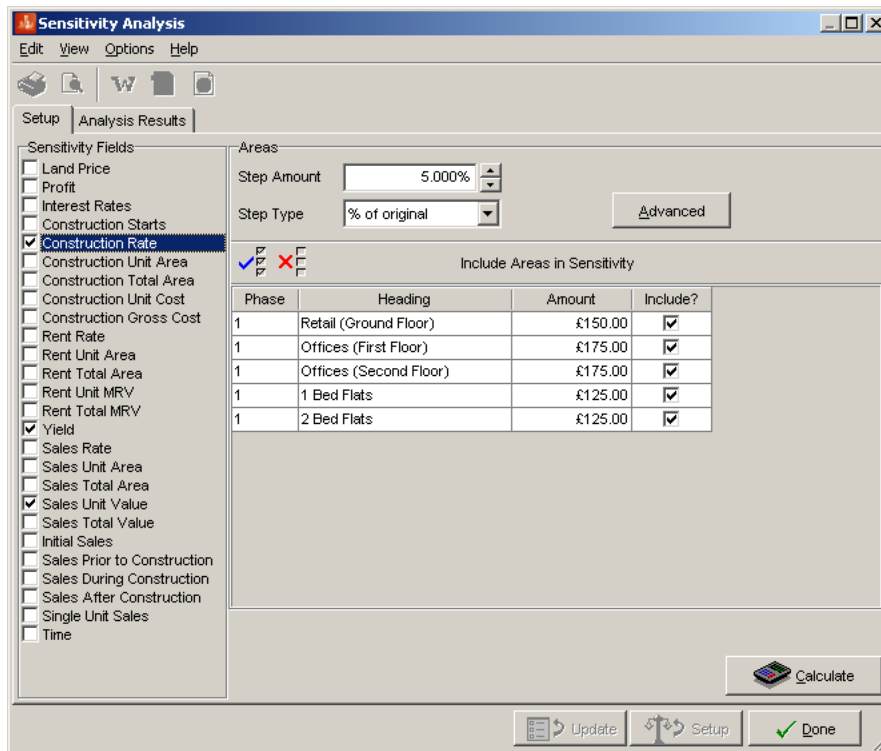
Field 2 - Yield

1. Check the **Yield** check box. This will display a list of items that you can include in the sensitivity analysis. Check all the **Include?** check boxes.

2. In the **Step Type** drop-down, select the “Fixed Amount” option.
3. In the **Step Amount** field, type in “0.25”.

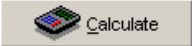
Field 3 - Sales Unit Value

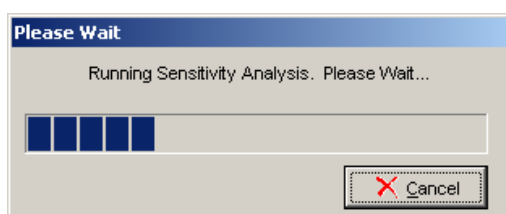
1. Check the **Sales Unit Value** check box. This will display a list of items that you can include in the sensitivity analysis. Check all the **Include?** check boxes.
2. In the **Step Type** drop-down, select the “% of original” option.
3. In the **Step Amount** field, type in “10”.



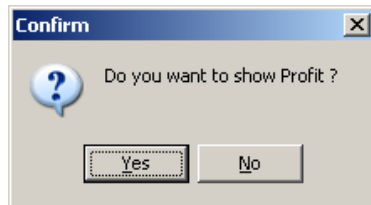
You are now ready to calculate the analysis and view your results.

Calculating your analysis results

1. To calculate the analysis results, click on the **Calculate** button  or the Analysis Results tab.
While the analysis is being calculated, a status bar will be displayed:

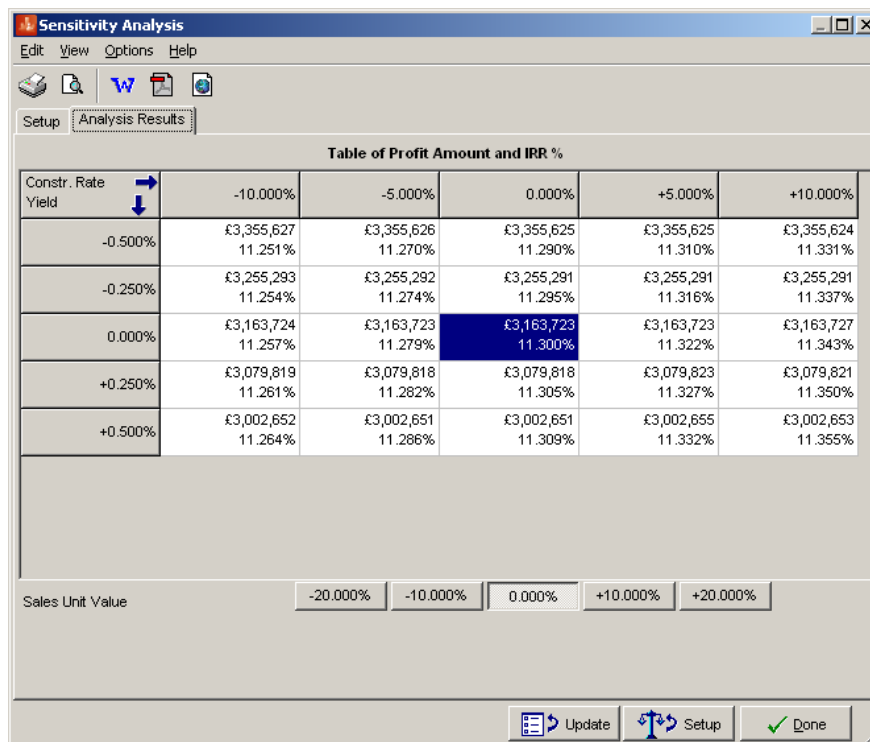


You may see a pop-up message displayed:

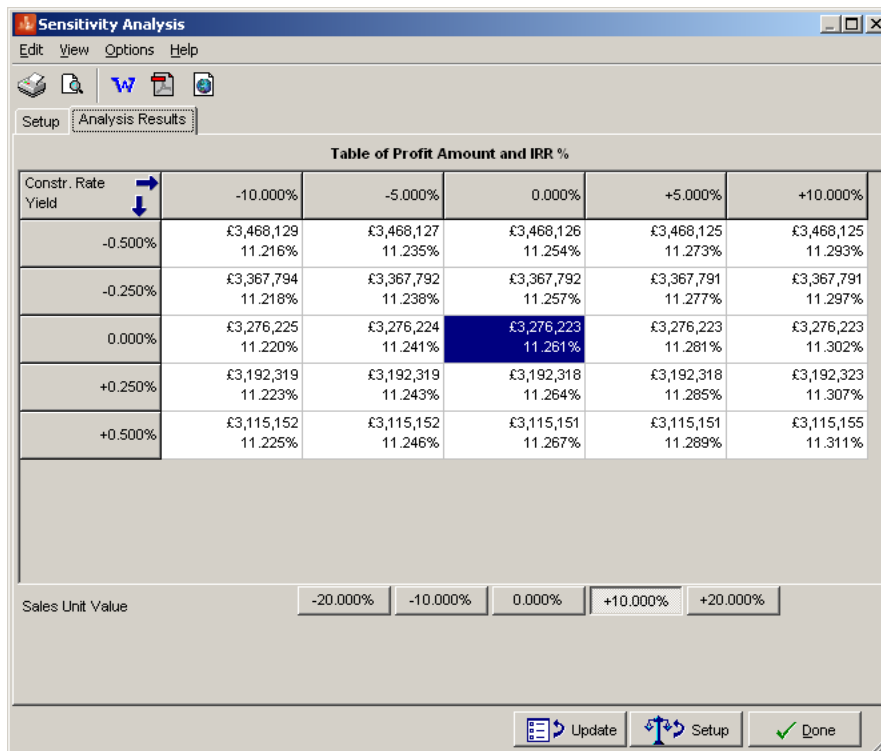


2. Click **OK** to proceed.

After calculation, the Analysis Results page will open, containing the grid of analysis results:



3. You can use the **Sales Unit Value** buttons near the bottom of the window to do “what if” analyses. Click on the **+10.000%** button to see how this changes the calculated results:



Sensitivity Analysis

Edit View Options Help

Setup Analysis Results

Table of Profit Amount and IRR %

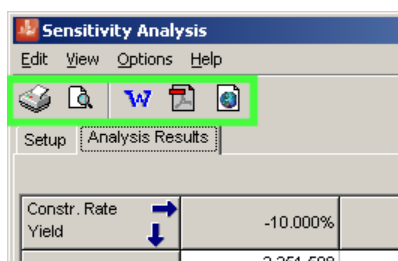
Constr. Rate Yield	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-0.500%	£3,468,129 11.216%	£3,468,127 11.235%	£3,468,126 11.254%	£3,468,125 11.273%	£3,468,125 11.293%
-0.250%	£3,367,794 11.218%	£3,367,792 11.238%	£3,367,792 11.257%	£3,367,791 11.277%	£3,367,791 11.297%
0.000%	£3,276,225 11.220%	£3,276,224 11.241%	£3,276,223 11.261%	£3,276,223 11.281%	£3,276,223 11.302%
+0.250%	£3,192,319 11.223%	£3,192,319 11.243%	£3,192,318 11.264%	£3,192,318 11.285%	£3,192,323 11.307%
+0.500%	£3,115,152 11.225%	£3,115,152 11.246%	£3,115,151 11.267%	£3,115,151 11.289%	£3,115,155 11.311%

Sales Unit Value: -20.000% -10.000% 0.000% +10.000% +20.000%

Update Setup Done

Now try clicking on the other buttons to see the changes.

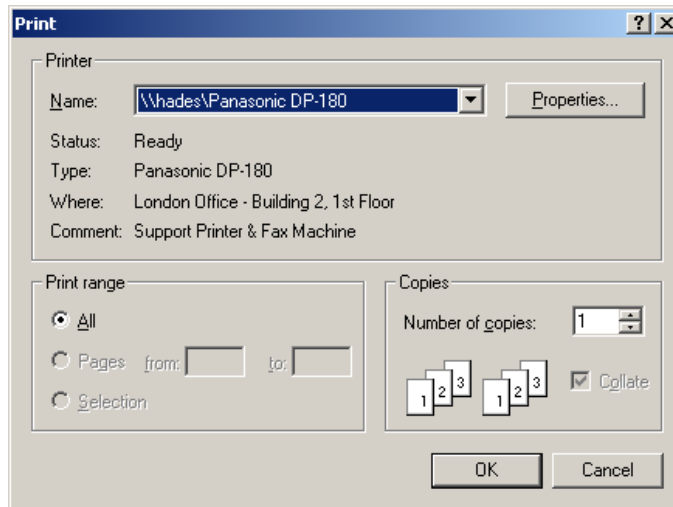
You will note that the buttons at the top of the window will become enabled when this page is displayed, so you can use them for printing or exporting the analysis:



- From the **View** menu, select the results you wish to see - for example, “Land Price” and “IRR%”. This will change the items you see displayed against each other in the Sensitivity grid.

Printing the sensitivity analysis

- To print out the analysis you’ve just calculated, click on the **Print Analysis** button:  This opens a standard Print dialog:



2. Click **OK** to print out the sensitivity analysis.

Exporting the sensitivity analysis

For this example, we'll show you how to export the analysis report as an HTML file and as a PDF.

Saving as HTML

1. Click on the **Print to Web Page (HTML)** button:



This will open your Web browser, displaying the sensitivity analysis:

SENSITIVITY ANALYSIS LICENSED COPY

Step By Step Example
Table of Residual Land Price and IRR %

Sensitivity Analysis for Phase 1
Sales Unit Value - 20.000%

	Yield		Construction Rate		Yield		Construction Rate	
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%			
-0.500%	66,964,073	66,693,395	66,422,716	66,152,037	65,881,355			
-1.000%	11.328%	11.330%	11.372%	11.390%	11.418%			
-0.250%	66,578,051	66,307,373	66,036,694	65,766,012	65,495,334			
0.000%	11.335%	11.358%	11.381%	11.404%	11.428%			
0.000%	66,225,754	65,955,076	65,684,393	65,413,716	65,143,038			
0.000%	11.341%	11.365%	11.389%	11.413%	11.438%			
+0.250%	65,902,941	65,632,262	65,361,580	65,090,903	64,820,225			
+1.000%	11.348%	11.372%	11.395%	11.422%	11.446%			
+0.500%	65,606,052	65,335,369	65,064,692	64,794,014	64,523,336			
	11.354%	11.379%	11.405%	11.431%	11.457%			

Sales Unit Value - 10.000%

	Yield		Construction Rate		Yield		Construction Rate	
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%			
-0.500%	67,396,902	67,126,224	66,855,546	66,584,867	66,314,184			
-1.000%	11.288%	11.309%	11.330%	11.351%	11.372%			
-0.250%	67,010,881	66,740,203	66,469,524	66,198,845	65,928,163			
0.000%	11.293%	11.314%	11.336%	11.358%	11.381%			
0.000%	66,638,584	66,367,906	66,097,227	65,826,544	65,555,867			
0.000%	11.298%	11.320%	11.342%	11.365%	11.389%			
+0.250%	66,335,771	66,065,092	65,794,413	65,523,732	65,253,054			
+1.000%	11.302%	11.325%	11.349%	11.372%	11.396%			
+0.500%	66,038,882	65,768,203	65,497,521	65,226,844	64,956,166			
	11.307%	11.331%	11.355%	11.379%	11.404%			

Sales Unit Value 0.000%

	Yield		Construction Rate		Yield		Construction Rate	
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%			
-0.500%	67,829,732	67,559,054	67,288,376	67,017,697	66,747,019			
-1.000%	11.231%	11.270%	11.290%	11.310%	11.331%			
-0.250%	67,443,711	67,173,032	66,902,354	66,631,675	66,360,997			
0.000%	11.254%	11.274%	11.295%	11.316%	11.337%			
0.000%	67,091,414	66,820,736	66,550,057	66,279,378	66,008,699			
0.000%	11.257%	11.279%	11.300%	11.322%	11.343%			
+0.250%	66,768,600	66,497,922	66,227,243	65,956,560	65,685,883			
+1.000%	11.261%	11.282%	11.303%	11.324%	11.345%			
+0.500%	66,471,712	66,201,033	65,930,354	65,659,672	65,388,995			
	11.264%	11.286%	11.309%	11.332%	11.355%			

Sales Unit Value + 10.000%

	Yield		Construction Rate		Yield		Construction Rate	
	-10.000%	-5.000%	0.000%	+5.000%	+10.000%			
-0.500%	68,262,561	67,991,884	67,721,206	67,450,527	67,179,849			
-1.000%	11.235%	11.255%	11.265%	11.285%	11.295%			
-0.250%	67,876,540	67,605,862	67,335,184	67,064,505	66,793,827			
0.000%	11.218%	11.258%	11.257%	11.277%	11.297%			
0.000%	67,504,244	67,233,565	66,962,887	66,692,208	66,421,530			
0.000%	11.220%	11.241%	11.261%	11.281%	11.302%			
+0.250%	67,201,430	66,930,752	66,660,073	66,389,395	66,118,717			
+1.000%	11.223%	11.243%	11.264%	11.285%	11.307%			
+0.500%	66,904,541	66,633,863	66,363,184	66,092,506	65,821,824			
	11.225%	11.246%	11.267%	11.289%	11.311%			

2. You can save this file using the **File | Save As...** menu option. Close down the browser when you have finished.

Saving as PDF

1. To export the analysis as a PDF file, click on the **Print to Adobe Acrobat PDF** button:
This displays the report in the Acrobat Reader:



wp138.pdf - Adobe Reader

File Edit View Document Tools Window Help

107% Find

SENSITIVITY ANALYSIS **LICENSED COPY**

Step By Step Example
Table of Residual Land Price and IRR %

Sensitivity Analysis for Phase 1
Sales Unit Value -20.000%

Yield	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-0.500%	£6,964,073	£6,693,395	£6,422,716	£6,152,037	£5,881,355
	11.328%	11.350%	11.372%	11.399%	11.418%
-0.250%	£6,578,051	£6,307,373	£6,036,694	£5,766,015	£5,495,334
	11.335%	11.358%	11.381%	11.404%	11.428%
0.000%	£6,225,754	£5,955,076	£5,684,393	£5,413,716	£5,143,038
	11.341%	11.365%	11.389%	11.413%	11.438%
+0.250%	£5,902,041	£5,632,363	£5,361,580	£5,090,903	£4,820,225
	11.348%	11.372%	11.397%	11.422%	11.448%
+0.500%	£5,606,052	£5,335,369	£5,064,692	£4,794,014	£4,523,336
	11.354%	11.379%	11.405%	11.431%	11.457%

Sales Unit Value -10.000%

Yield	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-0.500%	£7,396,902	£7,126,224	£6,855,546	£6,584,867	£6,314,184
	11.288%	11.309%	11.330%	11.351%	11.372%
-0.250%	£7,010,881	£6,740,203	£6,469,524	£6,198,845	£5,928,163
	11.293%	11.314%	11.336%	11.358%	11.381%
0.000%	£6,658,584	£6,387,906	£6,117,227	£5,846,544	£5,575,867
	11.298%	11.320%	11.342%	11.365%	11.389%
+0.250%	£6,335,771	£6,065,092	£5,794,413	£5,523,732	£5,253,054
	11.302%	11.325%	11.349%	11.372%	11.396%
+0.500%	£6,038,382	£5,768,703	£5,497,521	£5,226,844	£4,956,166
	11.307%	11.331%	11.355%	11.379%	11.404%

Sales Unit Value 0.000%

Yield	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-0.500%	£7,829,732	£7,559,054	£7,288,376	£7,017,697	£6,747,019
	11.251%	11.270%	11.290%	11.310%	11.331%
-0.250%	£7,443,711	£7,173,032	£6,902,354	£6,631,675	£6,360,997
	11.254%	11.274%	11.295%	11.316%	11.337%
0.000%	£7,091,414	£6,820,736	£6,550,057	£6,279,378	£6,008,696
	11.257%	11.279%	11.300%	11.322%	11.343%
+0.250%	£6,768,600	£6,497,922	£6,227,243	£5,956,560	£5,685,883
	11.261%	11.282%	11.305%	11.327%	11.350%
+0.500%	£6,471,712	£6,201,033	£5,930,354	£5,659,672	£5,388,995
	11.264%	11.286%	11.309%	11.332%	11.355%

Sales Unit Value +10.000%

Yield	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-0.500%	£8,262,561	£7,991,884	£7,721,206	£7,450,527	£7,179,849
	11.216%	11.235%	11.254%	11.273%	11.293%
-0.250%	£7,876,540	£7,605,862	£7,335,184	£7,064,505	£6,793,827
	11.218%	11.238%	11.257%	11.277%	11.297%
0.000%	£7,524,244	£7,253,565	£6,982,887	£6,712,208	£6,441,530
	11.220%	11.241%	11.261%	11.281%	11.302%

2. You can save this PDF by clicking on the **Save a Copy** button. Close down the Acrobat Reader when you have finished.
3. In the Sensitivity Analysis window, click on **Done** to close down the window.

You can now proceed to the next chapter (“Multi-Phasing” on page 63), which will demonstrate the effects of adding further phases to the project.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

CHAPTER 12

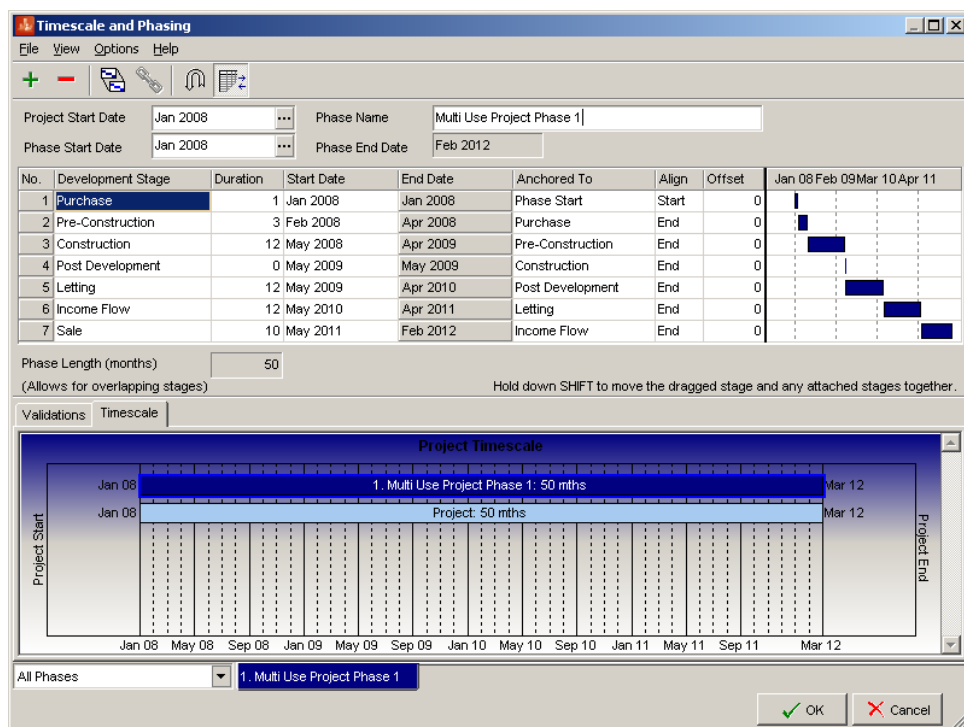
Multi-Phasing

Until now, this example has used a single phase to demonstrate various procedures. This chapter will illustrate the effect of adding multiple phases.

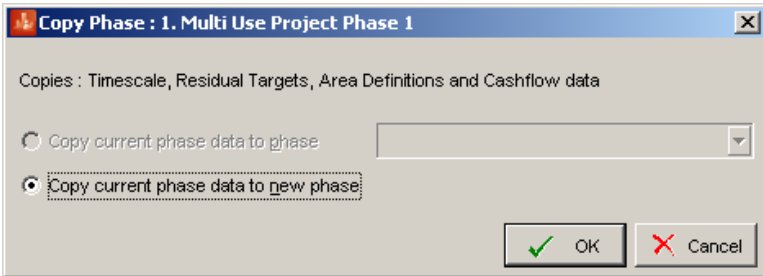
Adding another phase

For the purposes of this walkthrough (and to keep it simple), we will add another phase by copying the current one (normally, you would add a phase by clicking on the **Add Phase** button and then filling in the details).

1. Click on the **Timescale and Phasing** button: 
This opens the Timescale and Phasing window:



2. To copy the current phase, click on the **Copy Phase** button: 



Copy Phase : 1. Multi Use Project Phase 1

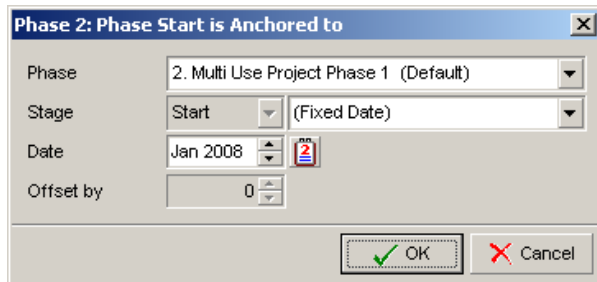
Copies : Timescale, Residual Targets, Area Definitions and Cashflow data

☐ Copy current phase data to phase

☒ Copy current phase data to new phase

OK Cancel

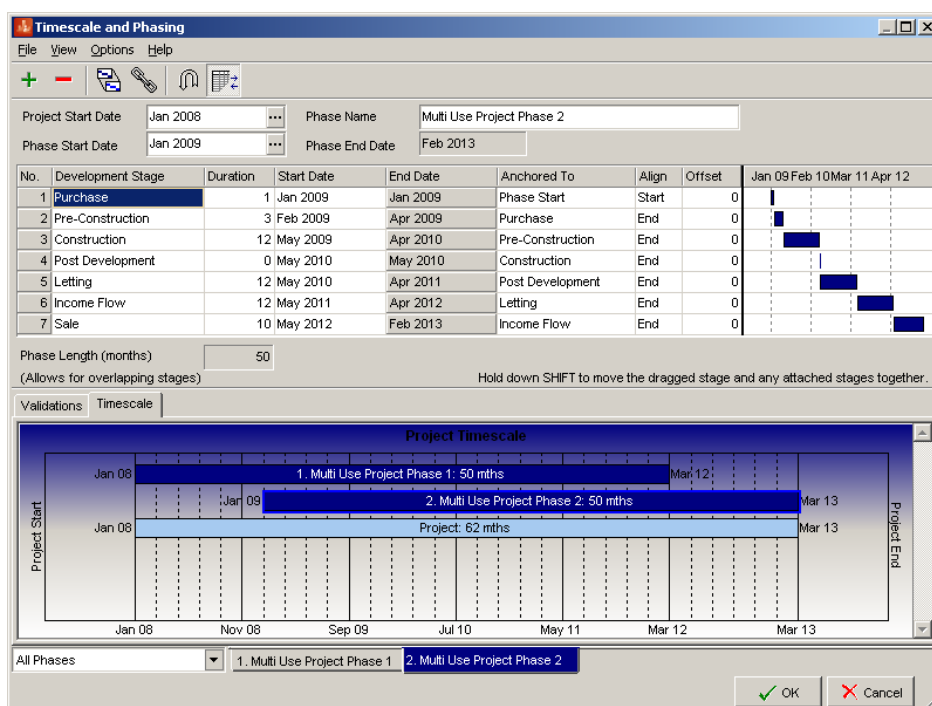
- Click **OK** and **Yes** to accept the settings and create the new phase.
- In the **Phase Name** field at the top of the window, type in “Multi Use Project Phase 2”. This will rename the phase tab at the bottom of the window.
- We will start the new phase a year after the first one.
Click on the **Phase Start Date** control to open the Phase Start Anchor dialog:



- Click on the date picker button  in the **Date** section to open the date picker:



- Click on the right arrow to move the calendar forward by one year, and click on January 2009.
- Click **OK**. You should see something like the following:



9. Click **OK** to exit from the Timescale and Phasing window.

You will note that the number of phase tabs shown in the main window will change:

Offices (Second Floor)		7,000	£175.00	1,225,000			
1 Bed Flats		7,000	£125.00	875,000			
Results...	Profit	3,163,723	Revenue	18,982,333	IRR	11.2905%	Cost
	Profit on Cost	20.000%	Costs (All)	-15,818,610	Dev. Yield	4.646%	Cost
	Land Cost	-6,541,141	Interest Inc Mortgage	-1,992,308	VAT	0	
All Phases		Merged Phases 1. Multi Use Project Phase 1 2. Multi Use Project Phase 2					
All phases included in this group		Summary Appraisal for Phase 2 Multi Use Project Phase 2					

In addition to the two phase tabs, an extra tab (“Merged Phases”) will be displayed. This tab shows the total calculated figures of all the phases added together.

10. Click on the Merged Phases tab to look at the figures - note the change in the Results Bar.

11. Now click on the Cash Flow tab - note how all the section headings in the Cash Flow are now prefixed by “Phase 1” and “Phase 2” to indicate which phase they belong to.

At the moment, the land costs are in two separate amounts, spaced a year apart (outlined in green in the following picture):

ARGUS Developer - C:\Documents and Settings\dwillie\Desktop\Use Cases\UK\Step by Step.wcf

FileEditProjectDefinitionCash FlowFinanceEquity/IVCost CodesViewToolsHelp

ProjectDefinitionCash FlowSummary

Cash Flow View CycleMonthly

Show Zero Value RowsView OrderShow Profit by Distribution Order, then Detail

Heading	1 Jan 08-Jan 08	2 Feb 2008	3 Mar 2008	4 Apr 2008	5 May 2008	6 Jun 2008	7 Jul 2008	8 Aug 2008	9 Sep 2008	10 Oct 2008	11 Nov 2008	12 Dec 2008	13 Jan 2009
Phase 2 - Disposal Costs													
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase 1 - Acquisition Costs													
Residualised Price	(6,550,057)	0	0	0	0	0	0	0	0	0	0	0	0
Stamp Duty	(327,503)	0	0	0	0	0	0	0	0	0	0	0	0
Agent Fee	(65,501)	0	0	0	0	0	0	0	0	0	0	0	0
Legal Fee	(131,001)	0	0	0	0	0	0	0	0	0	0	0	0
Phase 2 - Acquisition Costs													
Residualised Price	0	0	0	0	0	0	0	0	0	0	0	0	(6,541,141)
Stamp Duty	0	0	0	0	0	0	0	0	0	0	0	0	(327,057)
Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	(65,411)
Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	(130,823)
Phase 1 - Construction Costs													
Con. - Retail (Ground Floor)	0	0	0	0	(19,457)	(46,003)	(67,815)	(84,293)	(96,036)	(102,845)	(104,720)	(101,661)	(93,666)
Con. - Offices (First Floor)	0	0	0	0	(26,483)	(62,816)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(136,372)	(127,492)
Con. - Offices (Second Floor)	0	0	0	0	(26,483)	(62,816)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(136,372)	(127,492)
Con. - 1 Bed Flats	0	0	0	0	(16,917)	(44,725)	(65,737)	(81,951)	(93,369)	(99,989)	(101,911)	(96,837)	(91,666)
Con. - 2 Bed Flats	0	0	0	0	(22,970)	(54,309)	(79,823)	(99,512)	(113,376)	(121,415)	(123,626)	(120,917)	(110,580)
Contingency	0	0	0	0	(5,716)	(13,513)	(19,662)	(24,761)	(28,211)	(30,211)	(30,762)	(29,963)	(27,515)
Phase 2 - Construction Costs													
Con. - Retail (Ground Floor)	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - Offices (First Floor)	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - Offices (Second Floor)	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - 1 Bed Flats	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - 2 Bed Flats	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase 1 - Professional Fees													
Architect	0	0	0	0	(6,859)	(16,215)	(23,834)	(29,713)	(33,853)	(36,253)	(36,914)	(35,836)	(33,018)
Quantity Surveyor	0	0	0	0	(2,266)	(5,405)	(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)

Profit7,077,681Revenue37,964,666IRR11.2955%Cost Per Net ft²470.84

Profit on Cost22.915%Costs (All)-30,886,985Dev. Yield4.759%Cost Per Gross ft²436.03

Land Cost-13,091,198Interest Inc Mortgage-3,244,751VAT0

All PhasesMerged Phases1Multi Use Project Phase 12Multi Use Project Phase 2

All phases included in this groupPhase 1R2:88 C1:62Area-Based Value: MRV HistoryHiddenID: 282

In the next procedure, we will show you how those separate land costs can each be combined together into a single amount.

Setting the residual target

1. Click on the **Residual Target Mode** button:



2. You will note that the **Multi-Phasing** control is now active. Select the “Single Land Residual at project start” option from the **Multi-Phasing** drop-down:

Assumptions for Calculation

File Help

Expenditure Receipts Finance Calculation Interest Sets Inflation/Growth **Residual** Distribution

Land Cost Mode

☐ Fixed Land Value

☒ Residualised Land Value

☐ Part Fixed / Part Residual

Multi-Phasing: Single Land Residual at project start

☐ Negative Land treated as Revenue

Specific Fixed Targets

Target Type: Profit on Cost

Single Value: 20.00%

OK Cancel

3. Select “Profit on Cost” from the **Target Type** drop-down.
4. In the **Single Value** field, type in “20”.
5. Click **OK** to accept your settings. You will notice that the two blocks of land costs described earlier have now been brought together into one single amount (outlined in green below).

ARGUS Developer - C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf V4.05.000

File Edit Project Definition Cash Flow Finance Equities Cost Codes View Tools Help

Project Definition Cash Flow Summary

Cash Flow View Cycle: Monthly

Show Zero Value Rows View Order: Show Profit by Distribution Order, then Detail

Heading	1 Jan 08	2 Feb 08	3 Mar 08	4 Apr 08	5 May 08	6 Jun 08	7 Jul 08	8 Aug 08	9 Sep 08	10 Oct 08	11 Nov 08	12 Dec 08	13 Jan 09
Sale - 1 Bed Flats	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale - 2 Bed Flats	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase 1 - Disposal Costs													
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase 2 - Disposal Costs													
Purchaser's Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Agent Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Legal Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase 1 - Acquisition Costs													
Residualised Price	(13,218,294)	0	0	0	0	0	0	0	0	0	0	0	0
Stamp Duty	(660,915)	0	0	0	0	0	0	0	0	0	0	0	0
Agent Fee	(132,183)	0	0	0	0	0	0	0	0	0	0	0	0
Legal Fee	(264,366)	0	0	0	0	0	0	0	0	0	0	0	0
Phase 1 - Construction Costs													
Con. - Retail (Ground Floor)	0	0	0	0	(19,457)	(46,003)	(67,615)	(84,293)	(96,036)	(102,645)	(104,720)	(101,661)	(93,668)
Con. - Offices (First Floor)	0	0	0	0	(26,483)	(62,616)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(138,372)	(127,492)
Con. - Offices (Second Floor)	0	0	0	0	(26,483)	(62,616)	(92,032)	(114,732)	(130,716)	(139,984)	(142,536)	(138,372)	(127,492)
Con. - 1 Bed Flats	0	0	0	0	(18,917)	(44,725)	(65,737)	(81,951)	(93,369)	(99,989)	(101,611)	(98,837)	(91,066)
Con. - 2 Bed Flats	0	0	0	0	(22,970)	(54,309)	(79,823)	(99,512)	(113,376)	(121,415)	(123,628)	(120,017)	(110,580)
Contingency	0	0	0	0	(5,716)	(13,513)	(19,862)	(24,761)	(28,211)	(30,211)	(30,762)	(29,863)	(27,515)
Phase 2 - Construction Costs													
Con. - Retail (Ground Floor)	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - Offices (First Floor)	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - Offices (Second Floor)	0	0	0	0	0	0	0	0	0	0	0	0	0
Con. - 1 Bed Flats	0	0	0	0	0	0	0	0	0	0	0	0	0

Summary:

Profit	6,327,446	Revenue	37,964,666	IRR	10.1691%	Cost Per Net ft²	482.27
Profit on Cost	20.000%	Costs (All)	-31,837,220	Dev. Yield	4.646%	Cost Per Gross ft²	445.59
Land Cost	-13,218,294	Interest Inc Mortgage	-3,857,722	VAT	0		

All Phases: Merged Phases 1. Multi Use Project Phase 1 2. Multi Use Project Phase 2

All phases included in this group Phase 1 R2-83 C1-62 Area-Based Value: MRV History Hidden ID: 262

You will note that the **Profit on Cost** figure (shown in the Results Bar) has changed to reflect the rate you specified in the Residual tab earlier.

Please proceed to the next chapter, “Rerun the sensitivity analysis” on page 69.

Note: If you wish to save your work at this point, skip ahead to “Saving files” on page 71.

CHAPTER 13

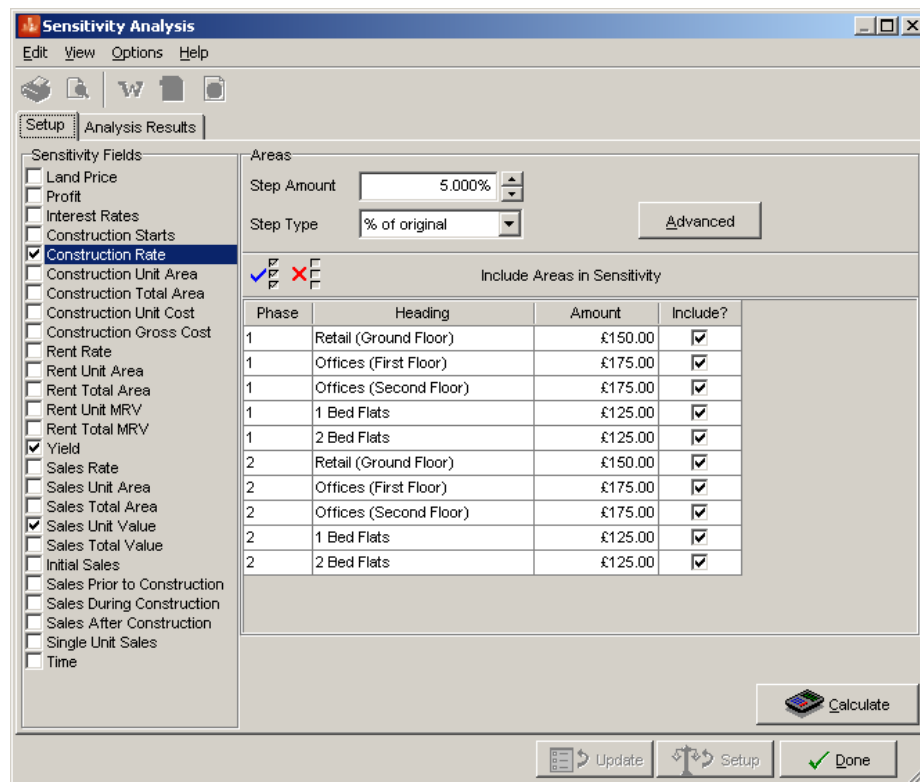
Rerun the sensitivity analysis

You will now need to perform a new sensitivity analysis, because the timing of the Acquisition Costs has changed, and you have added a new phase.

Select the **Merged Phases** tab before you begin.

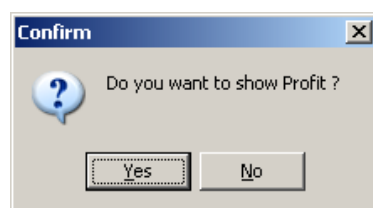
Follow the procedure as described in “Sensitivity Analysis” on page 57 to open the Sensitivity Analysis window and calculate the analysis results.

You will note that items will be listed for phase 2, and will be automatically selected for inclusion:



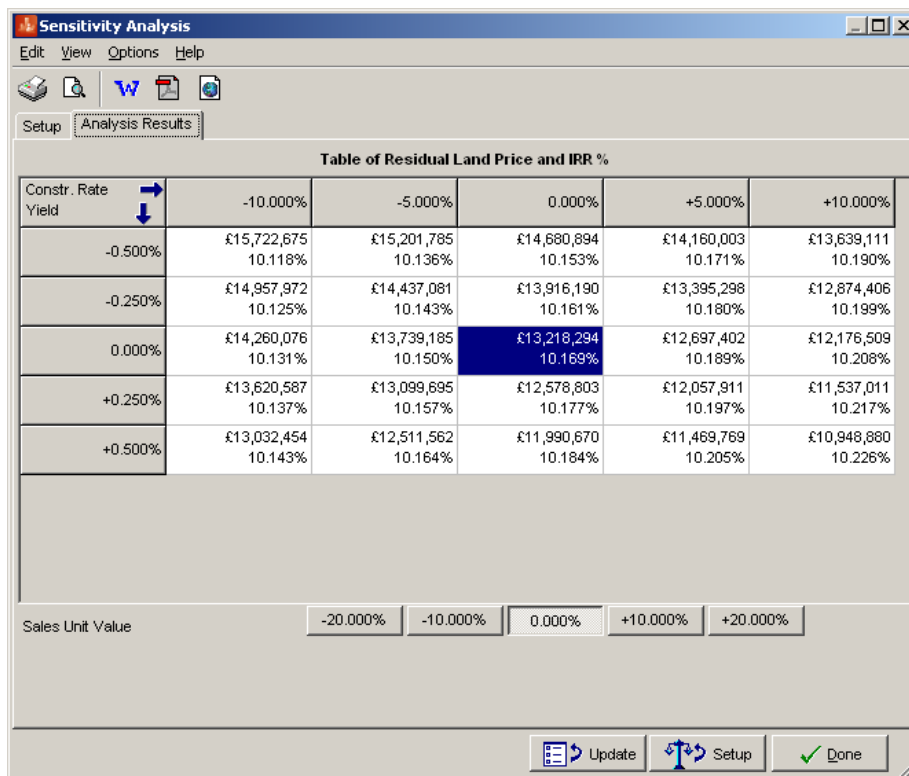
Click on the **Calculate** button to recalculate.

You may see a pop-up message displayed:



Click **Yes** to show Profit.

When you recalculate the results, you can use the **View | Land Price** menu option to display the Residual Land Price for the merged phases:



The screenshot shows the 'Sensitivity Analysis' window with the 'Analysis Results' tab selected. The window displays a table titled 'Table of Residual Land Price and IRR %'. The table has columns for 'Constr. Rate Yield' and five columns of values corresponding to different yield rates: -10.000%, -5.000%, 0.000%, +5.000%, and +10.000%. The rows represent different land price scenarios: -0.500%, -0.250%, 0.000%, +0.250%, and +0.500%. The 0.000% land price scenario is highlighted in blue. Below the table, there are buttons for 'Sales Unit Value' ranging from -20.000% to +20.000%. At the bottom of the window are 'Update', 'Setup', and 'Done' buttons.

Constr. Rate Yield	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
-0.500%	£15,722,675 10.118%	£15,201,785 10.136%	£14,680,894 10.153%	£14,160,003 10.171%	£13,639,111 10.190%
-0.250%	£14,957,972 10.125%	£14,437,081 10.143%	£13,916,190 10.161%	£13,395,298 10.180%	£12,874,406 10.199%
0.000%	£14,260,076 10.131%	£13,739,185 10.150%	£13,218,294 10.169%	£12,697,402 10.189%	£12,176,509 10.208%
+0.250%	£13,620,587 10.137%	£13,099,695 10.157%	£12,578,803 10.177%	£12,057,911 10.197%	£11,537,011 10.217%
+0.500%	£13,032,454 10.143%	£12,511,562 10.164%	£11,990,670 10.184%	£11,469,769 10.205%	£10,948,880 10.226%

Sales Unit Value: -20.000% -10.000% 0.000% +10.000% +20.000%

Update Setup Done

Preview a copy of the analysis report, showing the figures for the merged phases.

Click on **Done** to close down the Sensitivity Analysis window.

You can now proceed to the next chapter, which will show you how to save the file you have created in this walkthrough.

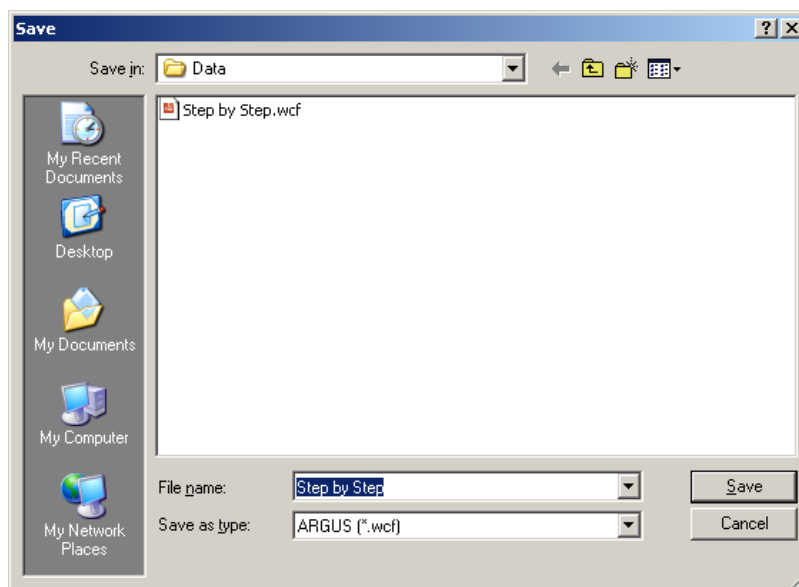
CHAPTER 14

Administration

In this final chapter, we will take you through three of the main “administration” tasks - saving your work, creating templates and emailing files. These are typically the kind of tasks you will perform at the end of a working session.

Saving files

To save the file you created in this walkthrough, use the **File | Save As...** menu option to open a standard Save dialog:



Select the “ARGUS (*.wcf)” option from the **Save as type** drop-down list.

In the **File name** field, enter the name “Step by Step” and click on the **Save** button.

After this, if at any time you wish to come back to this project and save any new changes you have made, you can use the **File | Save** menu option to save the file.

Saving templates

You can avoid the routine, repetitive work of creating new appraisals if you base them on templates designed for the types of development appraisal you create most often.

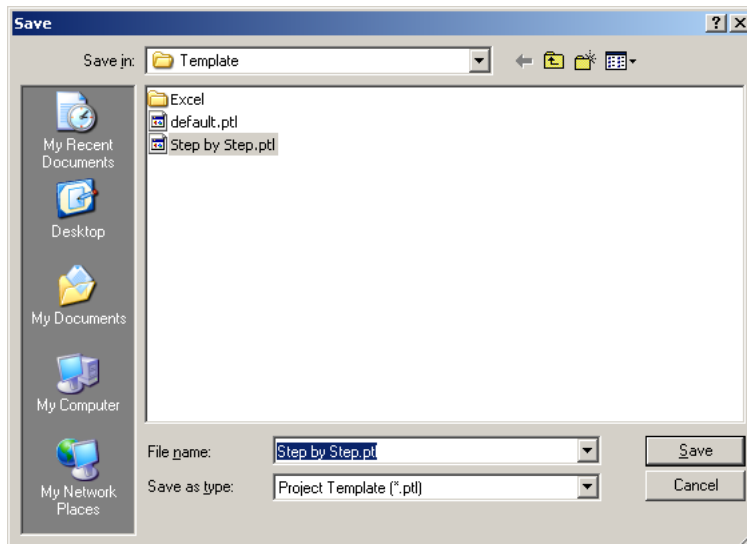
A template is an outline for the type of development, its costs, fees, yields and calculation options.

By saving and using a template, you can ensure that you will start with your company default assumptions and fees.

To save a template file, start with a blank project and change the base assumptions, using the Assumptions for Calculation window (see “Basic Preparation” on page 3). It is recommended that

you do not include data such as phases and costs in your template file. You will be able to use this template file as the starting point for each new project you build.

Use the **File | Save As...** menu option to open a standard Save dialog:



This will change the “save in” location to the default directory where the project templates are stored.

Select the “Project Template (*.ptl)” option from the **Save as type** drop-down list.

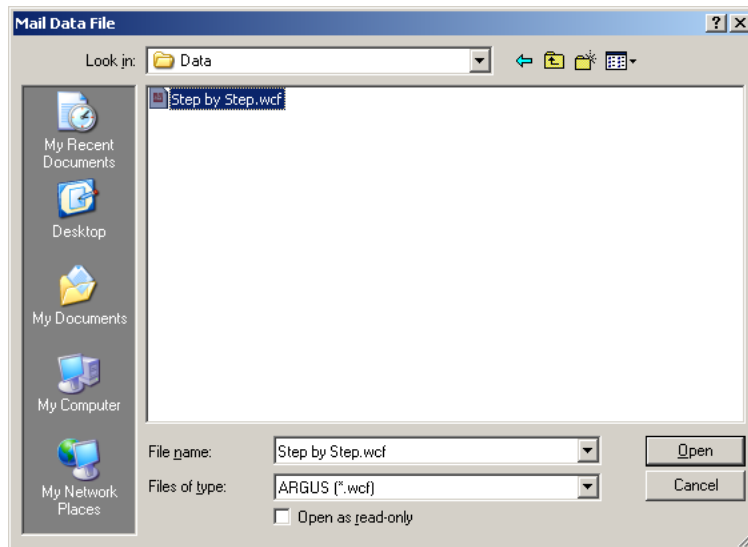
In the **File name** field, enter the name “Step by Step” and click on the **Save** button.

After this, whenever you need to set up a new project with settings already entered, you can select the template from the Start New Project form (to open this form, use the **File | New (Template)** menu option).

Emailing files

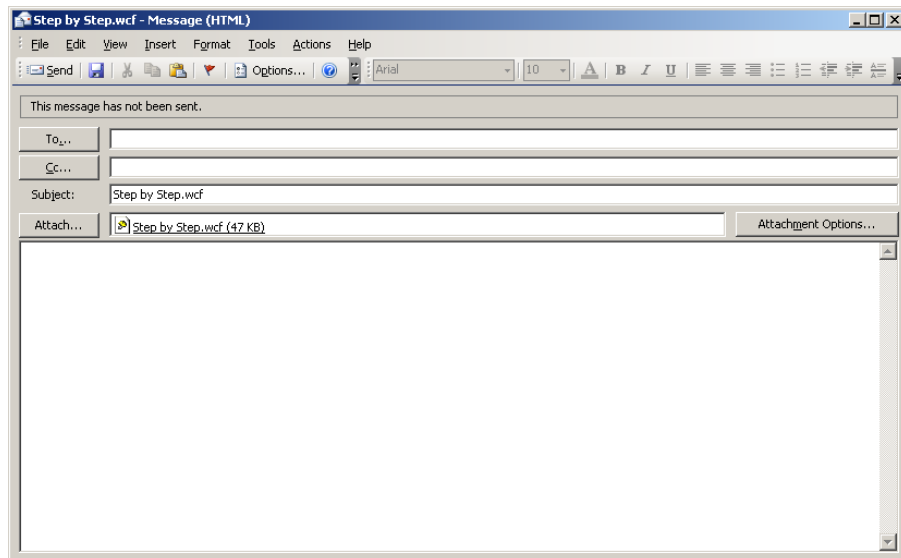
Occasionally, you may need to email ARGUS Developer data files to colleagues or to ARGUS Support when trying to resolve a query. To enable you to do this, ARGUS Developer provides a feature that makes this easy.

To email a data file, use the **File | Mail Data File...** menu option. This opens a selection window, so you can browse for the file you wish to send:



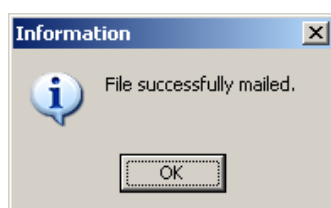
Select the ARGUS Developer file and click on the **Open** button.

This opens an email window, and automatically attaches the file:



All you have to do is to type in your message and enter an email address. You can test this out now by entering your own email address or that of a colleague.

Click on the **Send** button to send the email. You should get an acknowledgement message, showing that the email has been sent successfully:



CHAPTER 15

Appendix

This appendix gives a complete listing of the appraisal summary report and grouped cash flow for this sample project, allowing you to compare your own results.

APPRAISAL SUMMARY

LICENSED COPY

Step By Step Example

Summary Appraisal for Merged Phases 1 2

REVENUE						
Sales Valuation	ft²	Rate ft²	Gross Sales			
1 Bed Flats	7,000	£392.86	2,750,000			
2 Bed Flats	8,500	£470.59	4,000,000			
1 Bed Flats	7,000	£392.86	2,750,000			
2 Bed Flats	8,500	£470.59	4,000,000			
Totals	31,000		13,500,000			13,500,000
Rental Area Summary	ft²	Rate ft²	Gross MRV			
Retail (Ground Floor)	5,400	£70.00	378,000			
Offices (First Floor)	5,950	£30.00	178,500			
Offices (Second Floor)	5,950	£30.00	178,500			
Retail (Ground Floor)	5,400	£70.00	378,000			
Offices (First Floor)	5,950	£30.00	178,500			
Offices (Second Floor)	5,950	£30.00	178,500			
Totals	34,600		1,470,000			
Investment Valuation						
Retail (Ground Floor)						
Current Rent	378,000	YP @	6.0000%	16.6667	6,300,000	
Offices (First Floor)						
Current Rent	178,500	YP @	5.5000%	18.1818	3,245,455	
Offices (Second Floor)						
Current Rent	178,500	YP @	5.5000%	18.1818	3,245,455	
Retail (Ground Floor)						
Current Rent	378,000	YP @	6.0000%	16.6667	6,300,000	
Offices (First Floor)						
Current Rent	178,500	YP @	5.5000%	18.1818	3,245,455	
Offices (Second Floor)						
Current Rent	178,500	YP @	5.5000%	18.1818	3,245,455	25,581,818
 GROSS DEVELOPMENT VALUE					39,081,818	
Purchaser's Costs		5.76%	(1,474,152)			
NET DEVELOPMENT VALUE					37,607,666	
Income from Tenants						
Offices (First Floor)					89,250	
Offices (Second Floor)					89,250	
Offices (First Floor)					89,250	
Offices (Second Floor)					89,250	
					357,000	
NET REALISATION					37,964,666	
OUTLAY						
ACQUISITION COSTS						

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Date: 01/07/2008

APPRAISAL SUMMARY			LICENSED COPY
Step By Step Example			
Residualised Price		13,218,294	
Stamp Duty	5.00%	660,915	
Agent Fee	1.00%	132,183	
Legal Fee	2.00%	264,366	
			14,275,757
CONSTRUCTION COSTS			
Construction	ft²	Rate ft²	Cost
Retail (Ground Floor)	6,000	£150.00	900,000
Offices (First Floor)	7,000	£175.00	1,225,000
Offices (Second Floor)	7,000	£175.00	1,225,000
Retail (Ground Floor)	6,000	£150.00	900,000
Offices (First Floor)	7,000	£175.00	1,225,000
Offices (Second Floor)	7,000	£175.00	1,225,000
1 Bed Flats	7,000	£125.00	875,000
2 Bed Flats	8,500	£125.00	1,062,500
1 Bed Flats	7,000	£125.00	875,000
2 Bed Flats	8,500	£125.00	1,062,500
Totals	<u>71,000</u>		<u>10,575,000</u>
			10,575,000
Contingency	5.00%	528,750	
			528,750
PROFESSIONAL FEES			
Architect	6.00%	634,500	
Quantity Surveyor	2.00%	211,500	
Structural Engineer	1.00%	105,750	
Mech./Elec.Engineer	2.00%	211,500	
Project Manager	1.00%	105,750	
C.D. Manager	0.50%	52,875	
			1,321,875
MARKETING & LETTING			
Marketing		200,000	
Letting Agent Fee	15.00%	220,500	
Letting Legal Fee	5.00%	73,500	
			494,000
DISPOSAL FEES			
Sales Agent Fee	1.00%	376,077	
Sales Legal Fee	0.50%	188,038	
			564,115
Interest and Fees not Included in Project Costs			
Interest paid to Debt Sources:			
Debt (7.000%)	3,857,722		
Total Interest paid to Debt Sources:		3,857,722	
Total Interest Paid		3,857,722	
Debt Financing Fees			
Debt - Bank Fees (Single)	20,000		
Total Debt Financing Fees		20,000	
Total Interest and Fees not Included in Project Costs			3,877,722

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 ARGUS Developer Version: 4.05.000

Date: 01/07/2008

APPRAISAL SUMMARY**LICENSED COPY****Step By Step Example**

TOTAL COSTS			31,637,220
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PROFIT

Equity			
Residual Percentage (60.00%)	3,796,468	3,796,468	
Equity 2			
Residual Percentage (40.00%)	2,530,979	2,530,979	
			6,327,446

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.19%
Profit on NDV%	16.82%
Development Yield% (on Rent)	4.65%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.75%
Gross Initial Yield%	5.75%
Net Initial Yield%	5.75%
Ungeared IRR%	10.17%
G geared IRR% (without Interest)	10.17%
Equity IRR% (without Interest)	13.56%
Rent Cover	4 yrs 4 mths

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 ARGUS Developer Version: 4.05.000

Date: 01/07/2008

GROUPED CASH FLOW

Step By Step Example

LICENSED COPY

Grouped Cash Flow (Merged Phases)

Page A 1

	001:Jan 2008	002:Feb 2008	003:Mar 2008	004:Apr 2008
Monthly/B/F	0	(14,295,757)	(14,330,453)	(14,365,352)
Land Purchase				
Residualised Price	(13,218,294)	0	0	0
Stamp Duty	(660,915)	0	0	0
Agent Fee	(132,183)	0	0	0
Legal Fee	(264,366)	0	0	0
	(14,275,757)	0	0	0
Construction Costs				
Construction Cost	0	0	0	0
Contingency	0	0	0	0
	0	0	0	0
Professional Fees				
Architect	0	0	0	0
Quantity Surveyor	0	0	0	0
Structural Engineer	0	0	0	0
Mech./Elec.Engineer	0	0	0	0
Project Manager	0	0	0	0
C.D. Manager	0	0	0	0
	0	0	0	0
Other Cost				
Sales Agent Fee	0	0	0	0
Sales Legal Fee	0	0	0	0
	0	0	0	0
Marketing/Letting				
Marketing	0	0	0	0
Letting Agent Fee	0	0	0	0
Letting Legal Fee	0	0	0	0
	0	0	0	0
Capitalisation				
Unit Sales	0	0	0	0
Capitalised Rent	0	0	0	0
Purchaser's Costs	0	0	0	0
	0	0	0	0
Other Revenue				
Tenant Rent Flow	0	0	0	0
	0	0	0	0
Period Total Before Finance	(14,275,757)	0	0	0
Finance Costs (All Loans)	(20,000)	(34,696)	(34,899)	(35,102)
Period Total After Finance	(14,295,757)	(34,696)	(34,899)	(35,102)
Cumulative Total C/f Monthly	(14,295,757)	(14,330,453)	(14,365,352)	(14,400,454)

File: C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf
 ARGUS Developer Version: 4.05.000

Date: 01/07/2008

File: C:\Documents and Settings\dwillis\Desktop\Use Cases\UK\Step by Step.wcf
ARGUS Developer Version: 4.05.000 Date: 01/07/2008

GROUPED CASH FLOW**LICENSED COPY**

Step By Step Example

Grouped Cash Flow (Merged Phases)

Page A 3

012:Dec 2008 (18,303,895)	013:Jan 2009 (19,072,085)	014:Feb 2009 (19,789,577)	015:Mar 2009 (20,422,013)	016:Apr 2009 (20,934,836)	017:May 2009 (21,293,286)	018:Jun 2009 (21,511,450)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(597,259)	(550,298)	(474,348)	(369,410)	(235,483)	(114,311)	(270,269)
(29,863)	(27,515)	(23,717)	(18,470)	(11,774)	(5,716)	(13,513)
(627,122)	(577,813)	(498,066)	(387,880)	(247,257)	(120,027)	(283,783)
(35,836)	(33,018)	(28,461)	(22,165)	(14,129)	(6,859)	(16,216)
(11,945)	(11,006)	(9,487)	(7,388)	(4,710)	(2,286)	(5,405)
(5,973)	(5,503)	(4,743)	(3,694)	(2,355)	(1,143)	(2,703)
(11,945)	(11,006)	(9,487)	(7,388)	(4,710)	(2,286)	(5,405)
(5,973)	(5,503)	(4,743)	(3,694)	(2,355)	(1,143)	(2,703)
(2,986)	(2,751)	(2,372)	(1,847)	(1,177)	(572)	(1,351)
(74,657)	(68,787)	(59,294)	(46,176)	(29,435)	(14,289)	(33,784)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(710,113)	(654,934)	(565,693)	(442,390)	(285,026)	(142,649)	(325,900)
(58,077)	(62,558)	(66,743)	(70,433)	(73,424)	(75,515)	(76,788)
(768,190)	(717,492)	(632,436)	(512,823)	(358,450)	(218,164)	(402,687)
(19,072,085)	(19,789,577)	(20,422,013)	(20,934,836)	(21,293,286)	(21,511,450)	(21,914,137)

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GROUPED CASH FLOW	LICENSED COPY
Step By Step Example	

Grouped Cash Flow (Merged Phases)

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019:Jul 2009 (21,914,137)	020:Aug 2009 (22,468,363)	021:Sep 2009 (23,140,949)	022:Oct 2009 (23,898,526)	023:Nov 2009 (24,707,526)	024:Dec 2009 (25,534,189)	025:Jan 2010 (26,344,555)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(397,239)	(495,220)	(564,213)	(604,217)	(615,232)	(597,259)	(550,298)
(19,862)	(24,761)	(28,211)	(30,211)	(30,762)	(29,863)	(27,515)
(417,101)	(519,981)	(592,423)	(634,428)	(645,994)	(627,122)	(577,813)
(23,834)	(29,713)	(33,853)	(36,253)	(36,914)	(35,836)	(33,018)
(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)
(3,972)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)
(7,945)	(9,904)	(11,284)	(12,084)	(12,305)	(11,945)	(11,006)
(3,972)	(4,952)	(5,642)	(6,042)	(6,152)	(5,973)	(5,503)
(1,986)	(2,476)	(2,821)	(3,021)	(3,076)	(2,986)	(2,751)
(49,655)	(61,902)	(70,527)	(75,527)	(76,904)	(74,657)	(68,787)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(475,089)	(590,217)	(671,283)	(718,288)	(731,231)	(710,113)	(654,934)
(79,137)	(82,370)	(86,293)	(90,712)	(95,431)	(100,254)	(104,981)
(554,226)	(672,586)	(757,576)	(809,000)	(826,663)	(810,367)	(759,914)
(22,468,363)	(23,140,949)	(23,898,526)	(24,707,526)	(25,534,189)	(26,344,555)	(27,104,470)

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GROUPED CASH FLOW	LICENSED COPY
Step By Step Example	

Grouped Cash Flow (Merged Phases)

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026:Feb 2010 (27,104,470)	027:Mar 2010 (27,779,576)	028:Apr 2010 (28,335,318)	029:May 2010 (28,736,937)	030:Jun 2010 (29,011,207)	031:Jul 2010 (29,140,077)	032:Aug 2010 (29,269,698)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(474,348)	(369,410)	(235,483)	0	0	0	0
(23,717)	(18,470)	(11,774)	0	0	0	0
(498,066)	(387,880)	(247,257)	0	0	0	0
(28,461)	(22,165)	(14,129)	0	0	0	0
(9,487)	(7,388)	(4,710)	0	0	0	0
(4,743)	(3,694)	(2,355)	0	0	0	0
(9,487)	(7,388)	(4,710)	0	0	0	0
(4,743)	(3,694)	(2,355)	0	0	0	0
(2,372)	(1,847)	(1,177)	0	0	0	0
(59,294)	(46,176)	(29,435)	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)
0	0	0	(110,250)	0	0	0
0	0	0	(36,750)	0	0	0
(8,333)	(8,333)	(8,333)	(155,333)	(8,333)	(8,333)	(8,333)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(565,693)	(442,390)	(285,026)	(155,333)	(8,333)	(8,333)	(8,333)
(109,414)	(113,352)	(116,594)	(118,936)	(120,536)	(121,288)	(122,044)
(675,106)	(555,742)	(401,620)	(274,270)	(128,870)	(129,621)	(130,377)
(27,779,576)	(28,335,318)	(28,736,937)	(29,011,207)	(29,140,077)	(29,269,698)	(29,400,075)

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Date: 01/07/2008

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GROUPED CASH FLOW		LICENSED COPY
Step By Step Example		
Grouped Cash Flow (Merged Phases)		Page A 10
061:Jan 2013	062:Feb 2013	
5,785,696	6,056,571	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
(2,750)	(2,750)	
(1,375)	(1,375)	
(4,125)	(4,125)	
0	0	
0	0	
0	0	
0	0	
275,000	275,000	
0	0	
0	0	
275,000	275,000	
0	0	
0	0	
270,875	270,875	
0	0	
270,875	270,875	
6,056,571	6,327,446	

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Date: 01/07/2008

CHAPTER 16

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